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150



**NATHAN MEYER ROTHSCHILD.**

*Died at Frankfort, O. M., July 28, 1836, Aged Sixty Years.*

Engraved for Lawson's History of Banking. — See Page 36.

GOULD AND LINCOLN, BOSTON.

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# BANKERS' MAGAZINE,

AND

## Statistical Register.

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EDITED BY J. SMITH HOMANS.

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"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The Revenue of the State is THE STATE: in effect, all depend upon it, whether for support or for reformation."

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VOLUME SIXTH,  
FROM JULY, 1851, TO JUNE, 1852, INCLUSIVE.

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## NOTICE.

THE SEVENTH VOLUME OF "THE BANKERS' MAGAZINE AND STATISTICAL REGISTER" will be commenced with the Number for July, 1852. The aim of the Editor will be, as heretofore, to furnish, —

1st. Bank Statistics of every State in the Union, in a condensed form, with comparative tables of former years.

2d. Late and Important Banking Decisions and Banking Information from the several States.

3d. New Laws of the States respecting Banks, Banking, &c.

4th. Able Reports upon Currency, Coinage, Gold and Silver, European and American Banking, &c.

*The following works will be comprised in the forthcoming volume of the Bankers' Magazine.*

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II. A DIGEST OF THE DECISIONS OF THE HIGHER COURTS OF NEW YORK, MASSACHUSETTS, AND CONNECTICUT, UPON THE SUBJECTS OF BANKS, BANKING, BILLS OF EXCHANGE, PROMISSORY NOTES, USURY, &c.

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# GENERAL INDEX

TO THE

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OF THE

BANKERS' MAGAZINE AND STATISTICAL REGISTER,

FROM

JULY, 1851, TO JUNE, 1852, BOTH INCLUSIVE.

	Page
Actuaries, Proceedings of the Society of, . . . . .	411
Albany City Bank, Resolutions of, . . . . .	327
Alphabetical Index to Gilbert's Practical Treatise on Banking, . . . . .	389
American Bank Locks, Improvements in, . . . . .	426, 428, 817
Australia, The Gold of, . . . . .	404, 415, 582, 754, 928
Austria, Depreciated State Currency of, . . . . .	242
Baltimore, Lord, Letter respecting Maryland Currency, . . . . .	88
Bank Buildings, new, . . . . .	81, 241, 419, 662, 1012
" Capital of the several States and Cities, . . . . .	388, 566, 578, 579
" Checks, When payment may be refused, . . . . .	657
" Commissioners in Massachusetts, Law to establish, . . . . .	17
" Correspondence, . . . . .	657, 1007
" Dividends, . . . . .	168, 167, 416, 664, 670, 749, 769, 921, 923, 936, 1016
" Exchanges, Remarks on, . . . . .	657, 659, 1007
" Frauds and Failures, . . . . .	82, 230, 331, 418, 420, 670, 763, 921, 1012, 1014
" Interest, Mode of calculating, . . . . .	1008
" Items, . . . . .	80, 165, 240, 330, 418, 501, 584, 754, 837, 923, 1013
" Laws, Massachusetts, . . . . .	13, 20
" New Hampshire, . . . . .	248
" Connecticut, . . . . .	248
" New York, . . . . .	242, 336
" Vermont, . . . . .	757
" Tennessee, . . . . .	763, 767
" Lock Controversy in London, Remarks on, . . . . .	426, 428
" Note Engraving, Remarks on, . . . . .	659
" Note Paper, Remarks on, . . . . .	500
" of British North America, Report of, . . . . .	110
" of Commerce, Boston, with an Engraving, . . . . .	241
" of England, Remarks on, . . . . .	661, 517, 601, 834, 925, 929
" of France, Notices of, . . . . .	243, 244, 245, 379, 385, 589
" of Charleston, Annual Report of, . . . . .	488
" of Hamburg, Operations of, . . . . .	321
" of North America, Philadelphia, Origin of, . . . . .	27
" of the United States, . . . . .	428, 502, 669, 763
" Officers, Deaths of, . . . . .	84, 168, 282, 284, 504, 671, 755, 940, 911, 1018

	Page
Bank Officers should avoid Speculating in Stocks, . . . . .	511
“ “ Practical Suggestions to, . . . . .	505
“ “ Robberies, . . . . .	242, 418, 501, 670, 836, 923
Bankers, Liability of, . . . . .	245, 247, 954
“ “ Moral and Religious Duties of, . . . . .	295, 360
Banking Companies, the Moral and Religious Duties of, . . . . .	295, 360
“ “ Institute in London, Report upon, . . . . .	560
“ “ List of Works on, . . . . .	734
“ “ Practical, by Granville Sharp, . . . . .	673, 818, 841, 996
“ “ Practical Treatise on, . . . . .	33, 36, 120, 192, 276, 360, 399
“ “ Private, Remarks on, . . . . .	161, 423, 578
“ “ System, the great Importance of, . . . . .	810
“ “ and Bank Statistics, Maine, . . . . .	9, 105, 107, 330, 566, 922
“ “ “ New Hampshire, . . . . .	104, 165, 248, 566, 577
“ “ “ Vermont, . . . . .	566, 573, 584, 752, 757
“ “ “ Massachusetts, . . . . .	<del>64, 557, 416, 585, 655, 667, 750, 840, 921</del>
“ “ “ Rhode Island, . . . . .	567, 769, 769
“ “ “ Connecticut, . . . . .	80, 166, 248, 566, 571, 1011
“ “ “ New York, . . . . .	<del>11, 12, 23, 84, 108, 111, 249, 296, 568, 575, 581, 598</del>
“ “ “ New Jersey, . . . . .	82, 159, 567, 586
“ “ “ Pennsylvania, . . . . .	<del>328, 500, 599, 664, 931, 1013, 1016</del>
“ “ “ Delaware, . . . . .	570
“ “ “ Maryland, . . . . .	10, 414, 569, 748
“ “ “ District of Columbia, . . . . .	10, 237, 655
“ “ “ Virginia, . . . . .	166, 233, 436, 570, 1013
“ “ “ North Carolina, . . . . .	9, 570, 576, 577
“ “ “ South Carolina, . . . . .	238, 487, 570
“ “ “ Georgia, . . . . .	569, 920
“ “ “ Alabama, . . . . .	583, 586, 683
“ “ “ Illinois, . . . . .	581, 767, 1015
“ “ “ Indiana, . . . . .	570, 663
“ “ “ Kentucky, . . . . .	12, 234, 417, 570
“ “ “ Louisiana, . . . . .	247, 753, 828, 923
“ “ “ Michigan, . . . . .	749, 1014
“ “ “ Missouri, . . . . .	569
“ “ “ Ohio, . . . . .	112, 236, 322, 569, 754, 934, 1007, 1015
“ “ “ Tennessee, . . . . .	236, 570, 761, 763, 1016
“ “ “ Wisconsin, . . . . .	946
“ “ “ Canada, . . . . .	110, 484, 485
Banks Agricultural, in France, . . . . .	1009
“ “ and Bankers, History of, . . . . .	1, 91, 257, 517, 601, 685, 770, 854, 937
“ “ Failures of, . . . . .	11, 418, 670, 1012, 1014
“ “ Liabilities of, for collecting, &c., . . . . .	119, 429, 954
“ “ of Boston, Fluctuations in the Stocks of, . . . . .	750
“ “ Taxes on, in Pennsylvania, . . . . .	328
Bills of Exchange and Promissory Notes, The Law of.	
Acceptance, . . . . .	467, 899
Actions on, . . . . .	481, 643, 918
Consideration, . . . . .	459, 628, 891
Construction, . . . . .	461, 630, 893
Damages on, . . . . .	557, 719, 939
Days of Grace, . . . . .	463, 632, 894
General Requisites, . . . . .	458, 626, 899
Negotiability and Transfer, . . . . .	465, 632, 896
Payable in Specific Articles, . . . . .	464, 895
Presentment, Demand, Notice, . . . . .	467, 634, 900
Protest, — Waiver of, &c., . . . . .	473, 475, 636, 901
Rights and Liabilities of Parties to, . . . . .	429, 475, 637, 902
Validity, . . . . .	458, 626, 890
Boston City Five Per Cent. Stock, Sale of, . . . . .	245
Bramah & Co.'s Bank Lock opened, . . . . .	426

# GENERAL INDEX.

v

	Page
Brokers, Description of, . . . . .	31
" Dreams of, . . . . .	227
Billion and Foreign Coin, Charges for Recoinage, . . . . .	320, 928
California, Gold of, . . . . .	169, 181, 186, 404, 413, 537, 672, 712
" Gold Coins of, . . . . .	181, 583
" Gold Shipments to London, . . . . .	320
Canada Decimal Currency, Proposal for, . . . . .	327
Carlisle Table, Remarks on the, . . . . .	412
Cashiers, Suggestions to, on the Duties of their Profession, . . . . .	505
Cincinnati, Remarks on Banking in, . . . . .	754, 1007
Clarke, Rev. Mr., Remarks on the Gold Regions of Australia, . . . . .	415
Coin held by the New York Banks, . . . . .	84, 107, 108
Coins in Maryland, 1671, . . . . .	89
" Early, of Great Britain, . . . . .	173
" of the Roman Empire, Remarks on, . . . . .	338, 422
" of the Byzantine Empire, . . . . .	437
" Notes on, . . . . .	452
" Assarium, Eagle, Farthing, Groat, Guinea, . . . . .	452
" French Money, Sequin, Louis d'Or, Shilling, Albertus, Aureus, Abra, Agnel, . . . . .	564
Coins and Coinage of France, . . . . .	448, 596, 672
" " of the United States, . . . . .	77, 180, 184, 190, 447, 489, 714, 715, 752, 834, 836
" " Standard Works on, . . . . .	734
Consols? What are . . . . .	963
Counterfeit Coins, Recent, described, . . . . .	184
Copper Coinage, Weight and Value of, . . . . .	321, 447
Cotton, Average Prices of, in 1850, 1851, . . . . .	335
" Export of, 1834 to 1851, . . . . .	336
Credit, Panics, and Pressures, . . . . .	422
Currency in the Colonies, Sketches of, . . . . .	26, 85, 90, 562, 621
" and California Gold, . . . . .	169
" Redemption of, . . . . .	111, 159, 415, 562
" of Hamburg, . . . . .	321
Determination of the Value of a Specimen of Gold or Silver, in its Native Rock or Gangue, . . . . .	318
Diamonds at the World's Fair, Value of, . . . . .	161, 246
Eckfeldt and Du Bois, Review of the Coins and Coinage, . . . . .	175, 314, 336, 432
Economist (London), Extracts from, . . . . .	263, 404, 589, 712
Editorial Correspondence, . . . . .	164, 325, 657
Emigration to the United States, Statistics of, . . . . .	74
Europe, Financial Position of, . . . . .	490, 493, 496, 499
" Life and Fire Insurance in, . . . . .	412, 622, 694, 662
" Taxation per Head, . . . . .	492
" The National Debt and Revenue in Proportion to Area and Population of the States, . . . . .	247, 491
" The Standing Armies of, . . . . .	328, 491
Exchange between New York and London for 26 Years, . . . . .	569
" Effect of a large Supply of Gold upon, . . . . .	712
Felt, J. B., Historical Notices of Early Currency, . . . . .	90, 562, 621
France, Agricultural Banks of, . . . . .	1009
" Bank of, . . . . .	243, 244, 245, 379, 385, 569
" Fire and Life Insurance in, . . . . .	415, 622
" Finances and Currency of, &c., . . . . .	266, 499, 562
" Coinage and Coins of, . . . . .	448, 596, 672
Free Banking System of Illinois, - . . . . .	767
" " Massachusetts, . . . . .	113
" " Ohio, . . . . .	112
" " Tennessee, . . . . .	763
" " Vermont, . . . . .	757
Georgia, Progress and Public Debt of, . . . . .	169, 580
" Diamonds of, . . . . .	221
Gilbart, J. W., Practical Treatise on Banking, . . . . .	
Sect. II. The London Private Bankers, . . . . .	36
" III. The Joint Stock Banks of London, . . . . .	38

a \*

	Page
Gilbart, J. W., Practical Treatise on Banking.	
Sect. IV. The Country Bank Circulation,	120
"    V. Country Joint Stock Banks,	120, 122
"    VI. The Banks of Scotland,	127, 128
"    VII. The Banks of Ireland,	213, 276
"    VIII. The Moral and Religious Duties of Banking Companies,	265, 266
Alphabetical Index to,	399
Gold Balances, Manufacture of,	660
" deposited at the Various Mints for Coinage,	499
" exported to Europe, commercially considered,	273, 320, 537
" from California,	169, 181, 186, 404, 412, 537, 563, 672, 712
" Imports and Exports of,	537, 672
" in Australia,	404, 415, 562, 754
" Pens, Improvements in,	321, 584
" Spoons, Value of,	321
" The Natural Formation of ( <i>London Athenæum</i> ),	711
" (United States) in England, Value of,	661, 834
Gold and Silver, Bulk and Packing of,	316
" Comparative Values of,	164, 717
" in their Native State, Value of,	318
" Supply and Consumption of ( <i>London Economist</i> ),	263
" The Future Supply of,	537
" Weights used for, American and Foreign,	316
Gold and Silver Coins, Collection of, in the Mint, described,	322, 336
" Counterfeit,	184, 1010
" New Varieties of,	175, 314, 338, 432
" of Arabia,	450, 451
" Asia,	449
" Belgium,	176
" Bokhara,	446
" Bolivia,	175
" Byzantine Empire,	437
" California,	181, 563, 1017
" Central America,	176
" Chili,	176, 329
" China,	177
" Ecuador,	177
" Egypt,	445
" France,	177, 448
" Germany,	177, 448
" Greek Republic,	441
" Great Britain,	176, 448
" Hayti,	177
" Mexico,	76, 177
" Milan,	178
" Netherlands,	178
" New Granada,	178
" Norway,	179
" Persia,	444
" Peru,	179
" Portugal,	448
" Prussia,	179
" Rome,	338
" Russia,	179, 449
" Siam,	179
" Spain,	448
" Sweden,	180
" Syria,	445
" Turkey,	180
" Tuscany,	449
" United States,	77, 180, 447, 1018

# GENERAL INDEX.

vii

	Page
Gold and Silver Coins recovered from Ship San Pedro, . . . . .	449
"    "    Weight and Value of, . . . . .	273, 834
Greene and Co., Banking-House of, . . . . .	29
Great Britain, Coins of, . . . . .	176, 448
"    History of Savings Banks in, . . . . .	861
"    Penny Banks of, . . . . .	78
"    Public Funds of, . . . . .	597
"    Railways of, . . . . .	389, 414
"    Rate of Exchange on, for 26 Years, . . . . .	599
Hamburg, The Currency of, . . . . .	321
Hobbs, A. C., Experiments on Bank Locks, . . . . .	425
Ireland, The Banks and Banking System of, . . . . .	213, 247, 278
Jacob, Estimate of Precious Metals used in the Arts, . . . . .	254
Kennedy, J. C. G., Remarks on the Census of the United States, . . . . .	411
Lake Superior, Silver from the Regions of, . . . . .	314
Lawson, W. J., Early History of Banks and Banking, . . . . .	1, 91, 267, 517, 601, 685, 770, 854, 937
Legal Miscellany, . . . . .	
Agency, . . . . .	429
Checks on Banks, Fraud, Forgery, . . . . .	113, 326
Bank Balances, — Set-off, . . . . .	118
Bank Notes a Legal Tender, . . . . .	733
Banks and Banking, . . . . .	454, 625, 898
Bills of Exchange, . . . . .	457, 540, 626
Decisions in Maine, . . . . .	454, 540
"    New Hampshire, . . . . .	625, 719
"    Vermont, . . . . .	865, 955
Liabilities of Banks, . . . . .	119, 469, 954
Life Insurance, . . . . .	405
Redemption of Circulation, . . . . .	582
Statute of Limitations, . . . . .	243
Interest, . . . . .	558, 731, 990
Usury, . . . . .	559, 732, 991
Decisions of Supreme Court of United States, Remarks on, . . . . .	814
Mechanics and Traders' Bank, New Orleans, v. J. C. Smith, . . . . .	113
North River Bank, New York, v. Walseer, . . . . .	118
Bank of State of New York v. Thatcher, . . . . .	119, 429
Manhattan Bank v. Lydig, quoted, . . . . .	431
McCulloch v. State of Maryland, . . . . .	814
Bank of United States v. State of Maryland, . . . . .	814
"    "    Bank of State of Georgia, . . . . .	815
"    "    Dandridge, . . . . .	815
Commonwealth Bank of Kentucky v. Briscoe, . . . . .	816
Life Insurance, according to the Carlisle Table, . . . . .	412
"    "    in Europe, . . . . .	412, 622, 624, 662
"    "    in New York, . . . . .	161, 413, 518
"    "    Late Law Cases in, . . . . .	405
"    "    Notices of, . . . . .	158, 161, 411, 590, 623, 662
Limited Partnership, On the Law of, . . . . .	661
London and Westminster Bank, Report of, &c., . . . . .	218, 239, 242, 269, 283, 369, 945
"    Equitable Life Insurance Company, Remarks on, . . . . .	411
"    New Mining Companies in, . . . . .	562, 594
"    Statistical Society, Proceedings of, . . . . .	247
"    Times, Extracts from, . . . . .	493, 537
Maine, Decisions of the Supreme Court of, . . . . .	454, 540
"    Early Currency in, . . . . .	621
Maryland, The Early Currency of, . . . . .	85, 447
"    The Public Debt of, . . . . .	153, 323, 835, 880
Massachusetts, New Bank Laws of, . . . . .	13, 17
"    Debate on the General Banking Law of, . . . . .	20
"    Early Currency in (1631), . . . . .	90, 542
McCulloch, J. R., on the Consumption of Gold and Silver, &c., . . . . .	266, 733



	Page
Metropolitan Bank of New York, Establishment of, . . . . .	111, 415, 581, 585, 1013
Mexico, Coinage of, in 1848-49, . . . . .	76, 177
Mint, Coinage of, . . . . .	77, 180, 447, 489, 752, 834, 836
" Description of Coins at the, . . . . .	322, 752
" Donations to, by Schwarz, J. P. Brown, C. Stokes, &c., . . . . .	323
" Early English, Operations of, . . . . .	173
" Establishment of, in the Colony of Maryland, . . . . .	89
" New Branches of, recommended, . . . . .	334, 715
" Transaction of Business at, . . . . .	319, 714, 715, 929, 1009
Money Market, Notes on, . . . . .	83, 165, 250, 275, 335, 420, 503, 587, 672, 755, 839, 924, 1019
" Pressure, Causes of, . . . . .	275
New Hampshire, Revenue and Expenditure of, . . . . .	163
" Decisions in the Supreme Court of, . . . . .	625, 718
New Orleans, Finances of, . . . . .	581, 1010
New York, Banking Department of, . . . . .	23
" Banking System of, . . . . .	111, 160, 249, 385, 581, 585, 1017
" Canal Certificates of, . . . . .	160, 249, 936
" Coinage of, . . . . .	447
" Fluctuations in the Stock Market of, . . . . .	598
" Life Insurance in, . . . . .	161, 413, 516
" Private Banking in, . . . . .	423
North Carolina, Finances of, . . . . .	536
Notaries Public, Manual for, . . . . .	658
Panics, Pressures, and Credit, Remarks on, . . . . .	421
Pennsylvania, Finances of, . . . . .	1010
Pennyweights and Grains, Table of Correspondence between, . . . . .	314
Pens, Metallic, Manufacture of, and Improvements in, . . . . .	158, 321, 594
Population and Bank Capital of States and Cities, . . . . .	566, 578
Pound? What is a, . . . . .	995
Precious Metals, American and Foreign Weights used for, . . . . .	316
" Bulk and Packing of, . . . . .	316
Prices of 1393 and 1733, &c., compared, . . . . .	171, 172, 753
Private Banking in New York, Remarks on, . . . . .	161, 423, 578, 1017
Rare and Useful Works on Banking, List of, . . . . .	734
Roman Empire, Remarks on the Coins and Coinage of, . . . . .	338
Rome, Coins of the Republic of, . . . . .	346, 422
Sabine (Lorenzo), Suggestions to Young Cashiers on the Duties of their Profession ( <i>Premium Essay</i> ), . . . . .	505
San Francisco, Private Bankers of, . . . . .	161
San Pedro Company, Operations of the, . . . . .	449
Savings Banks, Statistics, Laws, and History of, . . . . .	751, 812, 881
" " their Importance illustrated, . . . . .	239
Scotland, Banking in, . . . . .	137, 192
" Laws of the Currency in, . . . . .	153
" List of Banks in, . . . . .	155, 156
Sealing-Wax, Injurious Effects of, . . . . .	498
Sharp (Granville), Prize Essay on Practical Banking, . . . . .	673, 818, 841, 996
Silver Coins, Wear of, . . . . .	321
" from Lake Superior, . . . . .	314
" the Sole Currency of Hamburg, . . . . .	321
Small Notes, Remarks on, . . . . .	582, 835
Spain, Finances of, . . . . .	499
Steel Pens, the Manufacture of, . . . . .	158
St. Louis, Remarks on the Commercial Position of, (E. Bates,) . . . . .	313
Streeter, S. F., Discourse on the Early Currency of Maryland and Virginia, . . . . .	85
Stocks, Fluctuations in, . . . . .	597, 598, 599, 750
" in Canada, . . . . .	486
" Speculations in, should be avoided by Bank Officers, . . . . .	511
Story, Judge, as a Banker, . . . . .	812
Suffolk Bank, Redemption of Country Money by, . . . . .	668
" " Defalcation in, . . . . .	921

# GENERAL INDEX.

ix

	Page
Superior (Lake), on the Silver of, . . . . .	314
Table of Correspondence between Pannyweights and Grains, and the Decimal Fractions of a Troy Ounce, . . . . .	315
Two per Cent. a Month, how caused, . . . . .	583
United States and Great Britain, Rate of Exchange between, . . . . .	599, 600
"    "    Census of, . . . . .	75, 411, 573
"    "    Coinage of, . . . . .	77, 489
"    "    Custom-House Receipts, Imports, Exports, &c., . . . . .	168, 261
"    "    Exports of Gold from, . . . . .	587
"    "    Gold Coins of, in England, . . . . .	661, 834
"    "    How affected by the Gold Discoveries, . . . . .	712
"    "    Population and Bank Capital of, . . . . .	576
"    "    Public Securities of, in Europe, . . . . .	671
"    "    Receipts, Expenditures, &c. of, . . . . .	73, 168, 261
"    "    Table of the Gold and Silver Coins of, . . . . .	190
Vermont, decisions in the Supreme Court of, . . . . .	888, 955
Virginia, the Public Debt and Resources of, . . . . .	21, 710
"    the Early Currency of, . . . . .	86, 447
"    the Gold Mines of, . . . . .	238
Wall Street, Increased Value of Property in, . . . . .	160
Weights, American and Foreign, for Precious Metals, . . . . .	316
Wisconsin, Free Banking System of, . . . . .	1017
World's Fair, Notices of, . . . . .	161, 246

**MISCELLANEOUS PARAGRAPHS.** — A newspaper in Gold, 75. — Maryland Public Debt, 158, 328, 880. — Manufacture of Steel Pens, 168. — Progress of Georgia, 159. — Life Insurance in England, 159. — Newspapers in Liverpool, 160. — Value of Property in Wall Street, 160. — New York Banks, 160. — Bankers of San Francisco, 161. — Texas Public Debt, 163. — Austrian State Currency, 242. — Statute of Limitations, 242. — Robbery of the London and Westminster Bank, 242. — Boston Five Per Cents, 245. — Munificence of a Banker, 245. — Diamonds at the World's Fair, 161, 246. — Liberality of a London Banker, 247. — Circulation and Coin in Ireland, 247. — Banking in New Orleans, 247. — Position of St. Louis, 313. — Gold Pens, 321. — Georgia Diamonds, 321. — Copper Coinage, 321. — American Gold Spoons, 321. — Currency of Hamburg, 321. — The American Institute, 326. — The Standing Armies of Europe, 326. — Albany City Bank, 327. — Canada Decimal Currency, 327. — A Dream of the Past, 327. — Bank Taxes in Pennsylvania, 328. — Virginia Gold, 328. — Railroads in England, 329. — Life Insurance, 411, 412. — California Gold, 413. — Use of Sealing-Wax, 498. — Bank of United States, 498. — Spanish Finances, 499. — Crisis in France, 499. — Texas Debt, 499. — Kensington Bank, 500. — The Cotton Trade, 500. — Bank-Note Paper, 500. — Debt of Georgia, 580. — New England Mutual Life Insurance Company, 580. — Finances of New Orleans, 581. — Currency in New York, 581. — Free Banks in Illinois, 581. — New Mining Companies, 582, 584. — South Australia, 582. — Banking in Alabama, 583. — Small Notes, 583. — Two per Cent. a Month, 583. — Gold Pens, 584. — Gold Coins, 834, 836. — Commercial and Railroad Bank, Vicksburg, 499. — Banking in Vermont, 752. — Three Cent Coins, 752. — Prices of Necessaries of Life, 753. — Banking in Louisiana, 753. — Banking in Cincinnati, 754. — Grand Junction Railway, 811. — The Danger of Small Notes, 835. — Stamp Tax in Maryland, 835. — Plea of Usury, 836. — What are Consols? 953. — What is a Pound? 995. — Finances of Louisiana, 1008. — Numismatographia, 1008. — California Mint, 1008. — Commerce, 1009. — Our Money Circulation, 1009. — Value of Real Estate at the South, 1009. — Agricultural Banks, 1009. — Sub-Treasury in New York, 1009. — United States Mint, 1009. — Gold Dollars, 1010. — New Orleans Finances, 1010. — Pennsylvania Finances, 1010. — Finances and Banks of Connecticut, 1011. — New York Canal Certificates, 1011.

*Treatises, Essays, &c., Contained in the Sixth Volume.*

	Page
GILBART'S PRACTICAL TREATISE ON BANKING. Part Second, Sections III. to X. inclusive. With a General Index to the whole Work. . . . .	36, 120, 192, 276, 360
LAWSON'S HISTORY OF BANKING AND BANKERS. Chapters I. to IX. inclusive. ( <i>To be concluded in the Numbers for July and August, 1862.</i> ) . . . . .	1, 91, 267, 517, 601, 685, 770, 854, 937
NEW VARIETIES OF GOLD AND SILVER COINS, COUNTERFEIT COINS, AND BULLION: WITH MINT VALUES. New Edition, Revised. By J. R. ECKFELDT and W. E. DU BOIS, Assayers of the United States Mint. ( <i>Entire.</i> ) . . . . .	175, 314, 338, 432
SUGGESTIONS TO YOUNG CASHIERS ON THE DUTIES OF THEIR PROFESSION. BY LORENZO SABINE, of Framingham, Mass. ( <i>Premium Essay.</i> ) . . . . .	506
ON THE ADAPTATION OF RECENT INVENTIONS TO THE PURPOSES OF PRACTICAL BANKING. BY GRANVILLE SHARP, of Norwich, England. ( <i>Premium Essay.</i> ) . . . . .	673, 818, 841, 996
I. <i>On Architectural Models that may suggest Improvements in the Banking House or Office.</i> . . . .	675
1. Doors, Windows, and Shutters. 2. Acoustic Tubes. 3. Wind Guards and Cowls for Chimneys. 4. Fire-proof Floors and Ceilings.	
II. <i>On Light, Heat, and Ventilation. Health of Bank Clerks,</i> . . . . .	680, 818
III. <i>On Discoveries in the Fine Arts, by which the Interior of a Bank may be decorated,</i> . . . . .	821
IV. <i>On Discoveries by which the Bank Furniture may be rendered more Commodious,</i> . . . . .	822
1. Door Balances. 2. Bevel Lift Latch. 3. Self-acting Door Fastenings. 4. Floor Cloth. 5. Scraper and Foot Brush. 6. Table Bells. 7. Pedestal Coal Vases. 8. Folding Library Steps. 9. Fire Annihilator. 10. New Venetian Blinds. 11. Bank Counter and Money Drawers, — new plans. 12. Safety Collection Boxes and Fixtures. 13. Specie Travelling Trunks.	
V. <i>Improvements in Writing-Paper, Pens, Ink, Account-Books, Scales, Letter-Copying Machines, and other Instruments used in carrying on the Business,</i> . . . . .	825, 841
1. Improvements in Paper. 2. Chemical Paper for Checks. 3. Metallic Paper. 4. Brown and Blotting Papers. 5. Envelopes. 6. Gold and Steel Pens and Handles. 7. Ink and Ink-Bottles. 8. Account-Books. 9. Account-Book Ruling. 10. Weighing Machines. 11. Decimal Balances. 12. Letter-Copying Machines. 13. Screw Copying Presses. 14. Paper Dampers. 15. Patent Autographic Press. 16. Manifold Writer. 17. Stamping and Printing Presses, Seals, and Letter Clips. 18. Numerical Stamping Machines. 19. Embossing Presses. 20. Seals.	
VI. <i>Improvements in Printing and Engraving,</i> . . . . .	852, 996
1. Engraving and Printing Bank Checks. 2. Bank Notes. 3. Cutting Notes. 4. Notes in Duplicate.	
VII. <i>New Inventions in the Construction of Locks and Safes,</i> . . . . .	1000
1. Patent Bank Locks. 2. Guarded Tumbler Locks. 3. Letter Locks. 4. Iron Safes. 5. Foreign Safes.	
A DIGEST OF THE DECISIONS OF THE SUPREME COURTS OF MAINE, NEW HAMPSHIRE, AND VERMONT, UPON THE SUBJECTS OF BANKS, BANKING, BILLS OF EXCHANGE, USURY, &c. ( <i>Compiled expressly for the Bankers' Magazine.</i> ) . . . . .	454, 540, 625, 718, 896, 955

*List of Engravings.*

Frontispiece.	
Recent Gold and Silver Coins, 65 Cuts, . . . . .	180
Bank of Commerce, Front View of, . . . . .	241

# INDEX

TO SUBJECTS CONTAINED IN THE HISTORY OF BANKING, BY WILLIAM JOHN LAWSON. FIRST AMERICAN EDITION.

- ARRCORN**, Earl of, and others, petition the crown for permission to form a public bank in Ireland in 1732, 199.
- African Company of Scotland** issue notes, 229; their failure and its causes, 229.
- Agricultural Counties** using country notes, 154; number of bankrupts in, 154.
- Anonymous Partnership Act** for Ireland, account of, 202.
- Annuities**, perpetual, 98; nature of, 98.
- Arlington**, Lord, his description of the effects produced by the seizure of the bankers' money by Charles the Second, 111.
- Astlett**, Robert, his trial for defrauding the Bank of £300,000, and ingenious defence, 59.
- Ayr Bank**, in Scotland, failure of, 152.
- Bank of England**, causes which led to its formation, 39; opinions in favor of, and in opposition to, 40; bill for establishing, passed, 41; mode of receiving subscriptions and choosing directors, 41; commence business in Grocers' Hall, 41; a petition to the House of Commons for its suppression, 42; first commence discounting bills, 42; difficulties of the infant bank, and effects thereof, 43; a statement of its affairs in 1696 laid before Parliament, 44; advertise for customers, 44; powers for raising additional capital granted, 45; first obtain a monopoly of banking, 46; forging their notes first made felony, 48; first undertake to issue Exchequer bills, 45; build a new bank, with a description of the same, 80; allowance made to by the government, 47; nature of the funds which are the sources of profit, 87; issue bank post-bills, 48; first issue notes for five pounds in 1793, 50; address the government on their approaching difficulties, 51; bill of indemnity to, for infringing the charter, 52; suspend payments in cash, 52; issue one and two pound notes, 53; increase in the profits of, 57; issue silver tokens for 3s. and 1s. 6d., 63; a summary of the Acts relating to the suspension of payments by, 64; Act of 1819, commonly called "Peel's Bill," passed, 65; conduct of, respecting the introduction of joint-stock banks, 69; measures for extending the circulation of Bank-notes, 72; borrow money of the Bank of France, 91; properties of, and laws relating to the notes of, 85; custom respecting the forged notes of, 85; account of unclaimed and lost notes of, from 1792 to 1832, 86; losses of, 86; business of, how divided, 91; officers of, how chosen, 92; scale of votes at general meetings, 92; meeting of proprietors of, how conducted, 93; on the renewal of its charter in 1833, 73; on the renewal of its charter in 1844, 77; on its being the sole bank of issue for the United Kingdom, 249; dividend days, 276; rules of, 104; original charter of 1694, 253; original rules, orders and by-laws, 265; profits of, from circulation, 269; expense of circulation, 273; assets and capital of, 275; transfer days, 276.
- Bank of Ireland**. See Ireland.
- Bank of the Million**, formation and dissolution of, 115.
- Bank**, public, a plan to form one in Ireland, submitted to the Irish House of Commons, and rejection of the same in 1695, 198; in 1732, 199.
- Bank of Scotland**. See Scotland.
- Bankers**, origin of the name, 20.
- Bankers' bills**, how different from mercantile bills, 26.
- Bankers**, private, failures of, in Ireland, 203; distressed state of, in Ireland, 206.

*Lawson's History of Banking.*

- Banking in Ireland, 193.**  
**Banking in Scotland, 223.**  
**Banking, list of works on, 297, 301.**  
**Banking System, great importance of, 146.**  
**Bankrupt, origin of the term, 19.**  
**Banks, projects for, submitted to Cromwell, 108; submitted to Charles the Second, 109.**  
**Barclay's Bank, origin of, 127.**  
**Barings, Messrs., accept bills for the Bank of England, 91.**  
**Barons of the Exchequer, their duties under the Anglo-Norman kings, 11.**  
**Barter, superseded by money. See Gold and Silver.**  
**Bayley, Sir John, on the laws of bills of exchange, 33.**  
**Becket, St. Thomas à, of Canterbury, brotherhood of, 12.**  
**Belfast, establishment of the bank of, 220.**  
**Bill-brokers, qualifications of, 28.**  
**Bills of exchange, influence of, 22; first use made of them in England, 23; ancient form of, in 1235, 23; form of, in 1589, 23; account of, in 1622, 23; first pass current by indorsement, 24; general nature of, 24; difference between them and bank-notes, 25; difference between those of bankers and merchants, 26; facilities they afford to trade, 26; Blackstone's definition of terms relating to, 30; who may be parties to, 31; first law for regulating payment of, 24; qualities essential to the validity of, 32; no legal remedy for, when founded on gambling transactions, 34; law relating to the acceptance of, 33.**  
**Blackstone, definition of a bill of exchange, 31.**  
**Books on banking, list of, 301.**  
**British Linen Company of Scotland formed into a bank, some description of, 233.**  
**Bubbles in 1720, account of, 117; in 1825, account of, 67.**  
**Burke, Mr., his definition of the political citizen, 99.**  
**Cambium Regis, or royal office of exchange, some account of, 13; antiquity of, 14; discontinuance of, 16; attempt of Charles the First to revive the office of, 15; the corporation of the city of London petition Charles the First against the revival of, 16.**  
**Cash Credits, Scotland, description of, 237.**  
**Chamberlain, Dr., attempts to form a land bank, in 1693, 116.**  
**Charles the First seizes the bankers' money lodged in the Mint, 107; attempt to debase the coinage, 5.**  
**Charles the Second seizes the bankers' money lodged in the Exchequer, 110; improves the coinage, 6.**  
**Charter of the Bank of England, proposals on the renewal of, in 1833, 73.**  
**Checks on Bankers, laws relating to, 34.**  
**Chief Cashier of the Bank, his duties, 92.**  
**Child, Francis, banker, in Fleet Street, account of, 123.**  
**Child, Sir Josiah, his opinion respecting the reduction of interest, 21; his account of the early London bankers, 111.**  
**Circulation of the Bank of England, annual expense of, 273.**  
**Clearing-house, bankers', origin and description of, 123.**  
**Clifford, Sir Thomas, advises Charles the Second to rob the bankers, 110.**  
**Coins of gold and silver, origin of, 2; first ordinance in England respecting, 5; attempt of Charles the First to issue spurious, 5; provincial copper suppressed, 156; process of coinage, 279.**  
**Collectors of the Revenue formerly supplied cash to country shopkeepers, 149.**  
**Commercial Bank of London, account of, 186.**  
**Commissioners appointed to investigate the causes of the forgeries of bank-notes, 83.**  
**Copartnership of more than six persons as bankers, Act sanctioning, 176.**  
**Copper Coinage, disgraceful state of, 156.**  
**Country Bankers, origin of, 149; first notice of a bank of issue, 149; account of the early formation of one, 149; failure of, in 1793, 152; suspend specie payments in 1797, 153; effects thereof, 154; their forbearance towards the Bank of England, 159; issuing notes, to render a weekly statement to the Stamp-Office, 158; on the circulation of bills by, 150; opposition of, to the Bank of England establishing branches, 71; exchange each other's notes, 168; restriction on their issuing notes, 159; nature of their business, 159; ingenious robberies of, 162; licenses to, 1809-1832, 274.**  
**Course of Exchange, how regulated, 28.**  
**Coutts, Thomas, account of, 131.**  
**Cromwell borrows money of the Merchant Adventurers, 13; reduces the rate of interest of money to six per cent., 21.**  
**Dead Weight, description of, 88.**  
**D'Avenant, Dr., his opinion of the Bank of England, 43.**  
**Debts of Government different from other debts, 98.**  
**Deposits in Scotch Banks, estimated amount of, 240.**  
**De Yonge, trial of, for selling guineas, 62.**

# Index.

- Dividends on Stock, manner of providing for the same, 103.**
- Dublin, merchants of, address the crown, on the depression of trade, and want of banking accommodation, 206.**
- East India Company, transfer and dividend days of, 276.**
- Edinburgh Bankers retire with their property to the Castle of Edinburgh on the entrance into that city of Prince Charles, in 1745, 234.**
- Edward the Sixth borrows money of the Merchant Adventurers, 12.**
- Equivalent Fund, Commissioners of, petition George the First for powers to form a bank in Scotland, 230; description of, 230; Commissioners of, obtain a charter for a bank, 232.**
- Exchange, attempt to alter the course of, by royal authority, 16; course of, how regulated, 28; account of a large transaction effected by, 29; difference between the trade of America with England, and England with America, 30.**
- Exchange Brokers, nature of their transactions, and their convenience to merchants, 28.**
- Exchequer, origin of, 9; bills, their first introduction, 11; originally the bank of the Lord High Treasurer, 11; Barons of, their duties, 11; Bank clerks attend daily at, 12; mode of transacting business at, 12; money lodged in, by bankers, seized by Charles the Second, 110.**
- Fauntleroy, Henry, account of, 141.**
- Failure, of Irish banks, 203; of Scotch banks, 245.**
- Foreign Bills of Exchange, on the regulation of, 29; placed under royal authority, 13.**
- Forgery of bank-notes, first execution for, 48.**
- Funded Debt. See National Debt.**
- Funds, highest and lowest price of, 54.**
- Gold and silver substitutes for barter, 2.**
- Goldsmiths, England, early account of, and mode of transacting business, 101.**
- Goldsmiths, Scotland, some account of, 234.**
- Goldsmiths supersede the Lombards as bankers, 106.**
- Government Stock not considered an eligible security for the issues of country bankers, 161.**
- Grace, on days of, 2.**
- Great Britain, progress of national debt of, 270; taxes and loans of, 1793-1815, 271; revenue of each reign, to 1830, 271.**
- Gresham, Sir Thomas, account of, 14.**
- Grocers' Hall, Bank of England commence business at, 41.**
- Guy, John, account of, 120; founder of Guy's Hospital, 121.**
- Hamilton, Dr. C., his exposure of Mr. Pitt's sinking fund, 103.**
- Henry the Third pays his debts to the Pope by bills of exchange on the bishops, 22.**
- Hibernian Bank of Ireland, account of, 215.**
- Hoares, Messrs., bankers, Fleet Street, origin of, 126.**
- Holland, John, his account of the formation of the Bank of Scotland, 227.**
- House of Commons of Ireland refuse to sanction a public bank for Ireland, 200.**
- Huddersfield Banking Company, formation of, 177.**
- Huskisson, Mr., his opinion respecting the undue appropriation of the profits of the Bank of England, 61.**
- Inspector of Bank-notes, action against for false imprisonment, 85.**
- Interest of money, opposition to, 20; first Act legalizing the taking of, 20; fixed by James the First at eight per cent., 21; reduced to six per cent. by Cromwell, 21; reduced to five per cent. by Queen Anne, 21.**
- Ireland, Bank of, abstract of the Act for establishing the bank, 207; first directors of, 209; purchase the Parliament House in Dublin, and convert it into a bank, 210; exclusive privilege of banking in Ireland granted to, 211; success of, after the suspension of cash payments, 212; number of clerks in, and expenses of, 213; refuse to take Bank of England notes, 214; opposition to the establishing of joint-stock banks in Ireland, 215; currency of, 279.**
- Ireland, banking in, 193; coinage of, 197; law of partnership in, 202; bank failures in, 203; Bank of, 207; branches of, 211; economy of, 213; private banks in, 217.**
- Irish mode of stopping a bank by publicly burning the banker's notes, 215.**
- Jews, their first introduction into England, 17; the first bankers, 18; severities practised towards them by the early English monarchs, 18; their expulsion from England, and consequences thereof, 19; inventors of bills of exchange, 18.**
- Joint-Stock Banks, prohibition to the formation of, did not extend to Scotland, 181; number of partners in, and**

*Lawson's History of Banking.*

- amount of subscribed capital of, in England, 177; opinion of the Secret Committee of the House of Commons respecting, 178; how to proceed against a shareholder indebted to, 180; defects in the management of, 181; danger of adopting the shares of any other joint-stock company, 182; defects in the system of agencies, 182; future prospects and political influence of, 188; mode of effecting sale of the shares of, 188.
- Jones, Loyd, & Co., bankers, origin of, 133.
- Kelly's Universal Cambist, extract from, 29.
- Kenyon, Lord, on bills of exchange, 32.
- King's Exchanger. *See* Cambium Regis.
- Lamb, Samuel, proposal for a bank submitted to Cromwell, 108.
- Land Bank, attempt to form one in 1694-5, 116.
- Land considered as a security for country bankers' notes, 161; rent of, how first paid, 9.
- License, country banks compelled to take out one annually, 157.
- Limitation of the number of partners in banks to six, 46.
- Limitation of the liabilities of the chartered banks of Scotland, 235.
- Limitation of the liabilities of shareholders in banks proposed, 178.
- Liverpool, Lord, his letter to the Bank of England, proposing the formation of branch banks and joint-stock banks, 68; his opinion respecting private banks, 70.
- Loan Societies in Ireland, account of, 216.
- Loans, government manner of effecting, 51.
- Lombard House, description of, 121.
- Lombards, their first introduction into England as bankers, 19; many of them banished for practising usury, 19.
- London Bankers, Sir Josiah Child's description of their first introduction in 1663, 107; their money lodged in the Mint seized by Charles the First, 107; money lodged in the Exchequer seized by Charles the Second, 110; list of, whose money was seized by Charles the Second, 112; consequences resulting from the seizure of the bankers' money, 113; the money due to, forms the first item in the national debt, 114; why they ceased to issue notes, 121; first official list of, with their several signs, 126; establish the clearing-house, 123; description of the transactions carried on there, 124; success of, attributable to the absence of legislative interference, 147.
- London, Corporation of, attempt to form a bank, 114.
- London Joint-Stock Bank, account of, 185.
- London and Westminster Bank petition the House of Commons, 184; opposition of the Bank of England to, 185; its successful career, 184.
- Lords, Committee of, report on Scotch banking, 243.
- Loyd, (Jones,) & Co., bankers, origin of, 133.
- Ludicrous scene in an Irish bank, 217.
- Malachi Malagrowther on Scotch banking, 241.
- Manufacturing Counties using bank-notes, number of bankrupts in, 154.
- Memorial to the Lords of the Treasury on the law of partnership in Ireland, 219.
- Mercantile Bills, wherein they differ from bankers' bills, 26.
- Merchant Adventurers, their ancient privileges, 12; lend money to Edward the Sixth, 12; lend money to Cromwell, 13; petition for their suppression, 13.
- Merchants of the Steelyard, corporation of, 13; their first introduction, 13; their suppression, 13.
- Million Bank, formation and dissolution of, 115.
- Mint, money of the bankers lodged therein seized by Charles the First, 107; coinage of, described, 279.
- Mint, new, 5.
- Mints, formerly established in monasteries, 3.
- Money, regulation of, 3.
- Moneyers, Company of, account of, 16.
- Monopolies, object of, on their first introduction, 12.
- Monopoly of exclusive banking, and its consequences, 175.
- Monts de Piété established in Ireland, 215.
- National Money, early account of, 3; legal opinions respecting, 3; early regulations of, 4.
- National Debt, origin of, 96; consists of perpetual and redeemable annuities, 98; progress of, 1689-1816, 270; annual expense of management, 272.
- New Bank, attempt to form one in opposition to the Bank of England, 56.
- Newland, Abraham, his exposition of the transactions of the Bank with the government, 94; presented with a service of plate on his retirement from the Bank, 83.

# Index.

- Newton, Sir Isaac**, report on coinage, 277.
- Northern and Central Bank**, account of its formation, 186; first report of, 188; serious consequences to, from having clergymen as shareholders, 180; their proceedings the subject of Parliamentary inquiry, 186; misconduct of the directors of, 187.
- Norwich and Norfolk Bank**, failure of, 187.
- Notes, Bank of England**, nature and quality of, 85.
- Notes, Country**, first issue of, 149; mistrust in, and its causes, 152; great change in the circulation of, 154; first stamped, 156; state of the law respecting the issue of, 157; reflections on the restriction of the issues of, 159.
- Notes, Irish**, curious Act for regulating the payment of, 163.
- Notes, Optional, Scotland**, suppressed by Act of Parliament, 235.
- Notes, Promissory**, distinction between them and bills of exchange, 25.
- Notes, Scotch**, attempt to assimilate their circulation to that of England, 241.
- Notes, Small**, proposal to make country bankers give security for, 160.
- Optional Notes suppressed**, 234; copy of one, 235.
- Order in Council** directing the Bank of England to suspend its payments in specie, 52.
- Orphans' Fund**, moneys belonging to the orphans misapplied by the Corporation of London, 115.
- Panic**, first account of one in the reign of Charles the Second, 109; in 1825, account of, 67.
- Parnell, Sir Henry**, his opinion of the trade of banking, 175; on the Scotch system of banking, 245.
- Partnership**, defects in the law of, 175; report on the law of, as it affects joint-stock banks, 178; defect in the law of, in Ireland, 202; anonymous act, in Ireland, 202.
- Partnerships in banks**, effects of the law respecting, 180.
- Paterson, William**, founder of the Bank of England, his account of, 39; establishes the Darien Company of Scotland, 224; failure of, 225.
- Peel, Sir Robert**, his currency measure of 1819, 65; his remarks on proposing the renewal of the Bank Charter in 1844, 77.
- Penny**, the only coin in England at one time, 3.
- Pennyweight**, its origin, 2.
- Fix, mode of conducting the trial of the**, 7.
- Pound, Saxon**, its weight, 3.
- Pound**, standard weight in gold first settled, 5.
- Pounds, shillings, and pence**, introduction of the terms as moneys of account, 3.
- Price, Dr.**, his opinion of the plan of borrowing money by the government, 98; his scheme for paying off the national debt, 102.
- Private Bankers in London**, 121; names of, in 1765, 126.
- Privy Council**, debates in, respecting the formation of the Bank of England, 39; order of, directing the Bank of England to suspend payments in specie, 52.
- Profits of the Bank of England**, sources of, 87.
- Profits of London bankers**, account of, 146.
- Promissory Notes**, distinction between them and bills of exchange, 34.
- Provincial Bank of Ireland**, account of, 221; action against, by the Bank of Ireland, for an infringement of their Act of Parliament, 221.
- Public Income** paid into the Bank of England, 12.
- Pulteney, Sir W.**, proposition for a new bank, 1797, 56.
- Raleigh, Sir Walter**, on the union of Scotland with England, 230.
- Report of the Committee of the House of Commons in 1797**, respecting the affairs of the Bank, 54; on joint-stock banking, 178.
- Report of the House of Lords on Scotch banking**, 243.
- Revenue**, progressive advance of, 1066 - 1830, 271.
- Revenue of the Crown**, early account of, 9.
- Richards, Mr.**, his opinion respecting the effects of the run on the Bank of England in 1825, 67.
- Rogers & Co.**, singular robbery of, 141.
- Rothschild, N. M.**, account of, 35; death of, 37.
- Royal Bank of Scotland**, early account of, and description of its charter, 232; oppose the Bank of Scotland, and compel it to stop payment, 233.
- Saint Thomas à Becket**, brethren of, 12.
- Scotch Banking**, arguments for and against, 241; the basis of the credit reposed in, 243; opinions of the House of Lords thereon, 244.
- Scotch Banks**, nature of the deposits in, 236; small amount of losses by, 237; regulations of, for exchanging each other's notes, 238; small amount of losses by cash credits, 237; branches of, and their regulations, 240; number



*Lawson's History of Banking.*

- of people in Scotland employing bankers, 246; defects in the system of, 246.
- Scotch system of banking recommended for adoption in England, 245.
- Scotland, Bank of, account of its formation, 227; abstract of the Scots Act for establishing the, 228; issue one and two pound notes, in 1704, 229; the only bank established by Act of Parliament in Scotland, 230; oppose the formation of the Royal Bank, 232; suspend payment of its notes, expedient adopted thereupon, 233; unsuccessful attempt to form branches, 234; assimilation of its capital to the English currency, 235; the privilege in their Act of Parliament for naturalizing foreigners being shareholders abolished, 235.
- Scotland, law of, in reference to bills of exchange, different from that of England, 247; early coinage of, 227; Bank Act of, 228; defects in banking, 246.
- Sheriffs, their duties under the Anglo-Norman kings, 10.
- Sinking Fund, by Walpole, origin of, 101; misapplication of, 102; and its final extinction, 103.
- Smith, Adam, his view of the capital of a country, 151; his opinion of the trade of banking, 152; his account of the scarcity of money in Scotland, 244.
- Smith, Payne, & Smith, bankers, origin of, 151.
- South Sea Company incorporated, 117.
- South Sea House, transfer and dividend days of, 276.
- Spiritual Persons incapacitated from being shareholders in banks, 180.
- Stamp Duty first applied to country notes, 156.
- Standard of coins, 4.
- Stephenson, Rowland, account of, 144.
- Sterling, origin of the term, 4.
- Stuart, Sir James, on the banks of Scotland, 245.
- Summary of the Acts relating to the restriction of specie payments by the Bank of England, 64.
- Tallies, description of, 10; discontinuance of, 11.
- Taxes and Loans raised, each year, from 1793-1815, 271.
- Thellusson, Peter, account of, 128.
- Transfer and Dividend Days of Bank of England, South Sea, and India House, 276.
- Transfer Duties, scale of, 188.
- Trial, remarkable one, respecting a bank-note, 48.
- Troy weight, its definition, 2.
- Unclaimed Dividends first appropriated for the use of the government, 50.
- Unfunded Debt. *See* National Debt.
- Union Bank of London, establishment of, 185.
- Unlimited Liabilities of shareholders in joint-stock banks, effects of, 177.
- Usance on bills of exchange, how computed, 27.
- Usury, Jews accused of, 20; Lombards accused of, 20.
- Walpole, Sir Robert, forms the Sinking Fund, 101.
- Wednesday's Club, some account of, 39.
- Wood, James, of Gloucester, account of, 150.
- Wool voted by Parliament as subsidies to the crown, 12.
- Works on Banking, copious list of, 301.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

VOL. I. NEW SERIES.

JULY, 1851.

No. I.

THE EARLY HISTORY OF BANKING.

THE HISTORY OF BANKING; WITH A COMPREHENSIVE ACCOUNT OF THE  
ORIGIN, RISE, AND PROGRESS OF THE BANKS OF ENGLAND, IRELAND,  
AND SCOTLAND. BY WILLIAM JOHN LAWSON.

CHAPTER I.

*Gold and Silver Substitutes for Barter.*—*William the Conqueror introduces into England the terms Pounds, Shillings, and Pence.*—*A Review of the Prerogatives of the Crown in the Matter of the Coinage.*—*Early Establishment of Mints.*—*Origin of the term Sterling.*—*Early Standard of our Coins.*—*Encouragement of the Coinage by Charles the Second.*—*John Roetier and Thomas Simon.*—*Trial Piece and Petition of the latter.*—*Attempt to deteriorate the Coinage by Charles the First.*—*Trial of the Pix.*

AMONG the instruments of civilization which the ingenuity and industry of man have given to his species, not one has been so completely characterized by the elements of potency of effect and universality of application as money. No people is so barbarous as not to recognize its use; none so daring as to contemplate its discontinuance.

The love of money has been confounded in the minds of unphilosophical moralists with an inordinate appetite for wealth; ignorant that, in the absence of money, the comparative worth of the productions of nature, and of the labors of man, might be appreciated, but could not be rightly adjusted.

In that golden age when gold was not, Arcadian swains might barter a ram for a lamb, and consider it a fair bargain; but when the simpli-

VOL. I.

1

city of the shepherd became developed into the wisdom of the man, a juster appreciation of things took place. A small quantity of the finest metals, such as gold and silver, being, by reason of their scarcity, of greater value than other commodities, became by common consent the means whereby all things necessary for man might be obtained; and in all ages they have been distinguished as precious metals by all civilized nations, and people have exerted their utmost industry and ingenuity in procuring them.

But as even gold and silver were subject to be adulterated by the admixture of baser metals, certain standards were agreed upon by which to ascertain their purity; and their value was computed by weight, the unit of quantity being some known natural substance,\* the variations in which were supposed to lie within very narrow limits.

A little while, and man took the greatest stride of all in the march of civilization. He *gave credit*. Bullion by weight was succeeded by bullion by tale, usually denominated coins, of several shapes and values, impressed with the effigies, arms, names, ensigns, or other tokens of the power or pleasure of the respective governments issuing them.

Again, the oppressive king, the daring robber, the winds, the waves, combined to rob the enterprising merchant of his all; but ingenuity can elude, if it cannot overcome, physical force. Bills of exchange were invented; and, by a process easier than the incantation of a magician, wealth was transmitted safely from the banks of the Ganges to the shores of the Baltic. Hence the advantages of banking, which has not improperly been called the handmaid of commerce.

Before, however, we proceed to develop the progress of banking in this country, we propose to give a short account of the nature and quality of English money, and the manner of testing its purity. Previous to the Norman Conquest, the mode of reckoning by the Anglo-Saxons was by pounds or pence. The Saxon pound weighed 5,400 grains, and a Saxon penny  $22\frac{1}{4}$  grains Troy: 240 of the latter made a pound as at present; but there was only one description of coin, and that was the penny: all other moneys, such as the libra or pound, the mark, the ora, and the shilling, were merely ideal moneys, or denominations, or ways of reckoning, for convenience.†

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\* Henry the Third caused a grain of wheat gathered from the middle of the ear to be the standard weight; and thirty-two of these, well dried, were to make one pennyweight, twenty pennyweights one ounce, and twelve ounces one pound Troy: since then it has been thought advisable to divide the pennyweight into twenty-four equal parts, called grains.

The word Troy was the monkish name given to London, *Troy Novant*, founded on the legend of Brute. Troy weight, therefore, is in fact London weight. — *Report of Commissioners of Weights and Measures*.

† Montesquieu states, that in some parts of the coast of Africa the people adopt an imaginary standard of value. He says, "We are informed, the blacks on the coast of Africa have a sign purely ideal for fixing the value of their commodities; — when they wish to make an exchange of them, they say, 'such an article is worth three macutes, such another is worth five macutes, and such another ten'; and yet a macute, like our pound, 'can neither be seen nor felt; it is entirely an abstract term, and not applicable to any sensible object; for they do not exchange their merchandise for three, five, or ten macutes, but for some article worth the same number of macutes.'"

The penny continued to be the only coin known in England till long after the date of Domesday Book, the halfpenny and the farthing being literally fractions or broken parts of the penny.

It is recorded that William the Conqueror introduced into England the method of accounts as practised in Normandy, viz. that of reckoning by pounds, shillings, and pence, or by pounds, ounces, and penny-weights.

The pound-weight of silver was divided into twelve shillings, composed of twenty pennies each, corresponding to pounds, ounces, and pennyweights, or twenty shillings, of twelve pennies each, but it was not till some time afterwards that it obtained the denomination of the "pound sterling."

Before the Norman Conquest, the kings of England established their mints in different monasteries, from a presumption, it is supposed, that in such sacred places the coinage would be secure from fraud and corruption. In course of time mints were set up in almost all the principal towns, and in some of the largest there were several mints. Thus the state of the coin was perpetually fluctuating, owing to the removal or discontinuance of the old or the establishment of new mints, according to the caprice, and sometimes the cupidity, of the reigning prince; for there is no doubt but that this privilege was frequently granted in consideration of an advance of money, or in recompense for services performed.

Although the regulation of the national money appears to have been regarded by our early monarchs as a part of the prerogative of the crown, which they guarded with extreme jealousy, yet it is virtually the province of the three branches of the legislature, the crown giving currency to the coin by proclamation.

Sir William Blackstone's opinion was, that in this kingdom the royal prerogative did not extend to the debasing or enhancing the value; but Sir Matthew Hale was decidedly of another opinion; for he says, "The legitimation of money, and the giving it its denominative value, is justly reckoned among the *jura magistratus*, and in England it is one special part of the king's prerogative."

Sir Edward Coke was of opinion that "the alteration of money may not be without act of Parliament."

If the crown ever possessed this power of altering the value of money, that is, the rate at which it should pass in exchange for commodities, it has lain dormant for many years. In the reign of Elizabeth, which furnishes the latest instance of its exercise, its existence was not unquestioned; for, though it was confirmed by the judgment of a court of law, the decision has been deservedly censured "as repugnant to every principle of natural justice."

It is a power, however, which neither the kings of this country nor the head of any other empire ever pretended to possess. It is true, that by most governments the shape, the size, and the quality of the current coin have been altered; perhaps by none more disgracefully than by some of the earlier monarchs who held the crown of France. Yet their authority may be cited to prove, that they never imagined they

had the power of altering the *value of the coin*,\* as is evident from many of the ancient ordinances forbidding the engravers and other officers to reveal the quantity of alloy used in the formation of it,—a measure perfectly superfluous, if by these ordinances the value of the coin could have been altered. The same precaution was taken by the English kings; for we find King John added to his mandate, for the like purposes, these words: “Upon the oath you have taken to the king, keep this matter secret the best you may; for if by your means it shall be known, you shall be punished after such a manner that all others shall be terrified thereby.”

Antiquaries and critics are greatly divided in their opinions as to the origin of the word *sterling*. Buchanan attributes it to the Castle of Strivelin, or Sterling, in Scotland, where a small coin was anciently struck, which he states gave the name to all the rest. Camden derives the name from *easterling*, or *esterling*, observing that, in the reign of Richard, the first money coined in the east part of Germany began to be of especial request in England, by reason of its purity, and was called *easterling money*, as all the inhabitants of those parts were called *easterlings*. Some of these, who were skilled in coinage, were soon after, in the reign of King John, sent for to perfect the English money, which was thenceforward called *sterling*, and not, says Camden, from Strivelin in Scotland, nor from *stella* or *star*, which some “dream to have been coined thereon.” In old deeds the English coin is always called *nummi easterling*, which implied as much as good and lawful money, &c. Clarke, in his account of the Roman, Saxon, and other coins, observes, that the English pound was called the pound *sterling* because their ancestors brought it from the more eastern parts of Europe, the shores of the Euxine, and that they called it *libra esterlingorum*, the pound *sterling*, to distinguish it from the Roman pound, which—to preserve the same distinction—was called *libra occidua*, or the western pound.

No ordinances respecting the *standard* of the coins have been preserved from the Norman Conquest to the eighth of Edward the First, when, according to Stow, Gregory de Rokesley, Mayor of London, being chief master or minister of the King's Exchange, a new coin was agreed upon,—the pound, or *easterling money*,—to contain twelve ounces of fine silver, such as was then made in the foil, and was commonly called *silver of Gutheron's Lane*, now called *Gutter Lane*. This pound was to weigh twenty shillings and three pence *in account*, each ounce twenty pence, and every penny twenty-four grains and a half.

In the eighteenth of Edward the Third we find the standard of gold coin was the old standard or *sterling* of twenty-three carats† three

\* See Lauderdale on the Depreciation of our Paper Currency, p. 76.

† The purity of gold is not estimated by the weights commonly in use, but by an Abyssinian weight, called a *carat*. The carats are subdivided into four parts, called grains; and these again into quarters. So that a *carat grain*, with respect to the common divisions of a pound Troy, is equivalent to  $2\frac{1}{4}$  pennyweights. Gold of the highest degree of fineness, or pure, is said to be 24 carats fine.—*McCulloch's Commercial Dictionary*, Article COINS.

grains and a half fine, and half a grain alloy. Every pound-weight of gold of this standard was to be coined into fifty florins, at six shillings each, which made in tale fifteen pounds, or into a proportionate number of half and quarter florins. They took their name from the Florentines, who, in the reign of Edward the First, were sent for to "inform him of the manner of making and forging money."

According to an indenture between King Edward the Third and Percival de Perche, a pound of gold of the old standard was to contain thirty-nine nobles and a half. This instrument shows that the trial of the pix was then finally established.

So much confusion prevails in the conflicting statements of the various early writers respecting the coinage, that little dependence can be placed in them. The debasement of the coin by Henry the Eighth, and subsequently by Edward the Sixth, are well known. King Charles the First, among other devices for raising money during his troubles, wished to debase the coin even below what Henry the Eighth and Edward the Sixth had done. It was debated in council to mix silver and copper together, and to coin to the value of £ 300,000, the coin to be such that *three pennyworth* of silver, added to a certain quantity of copper, should be made current for *one shilling*; but Sir Ralph Freeman, Master of the Mint, being satisfied that the Parliament would be able and willing to make good the sentiments he expressed, declared to Lord Strafford that the servants of the Mint House would refuse to work the copper money. To which the Earl replied, "Then it were well to send these servants to the house of correction." And to the house of correction they and the Master of the Mint would have gone, had they ventured to utter such sentiments in the time of Henry the Eighth; but the arbitrary power of the crown had now received a check from which it could not recover, and was itself made to yield obedience to the supreme dominion of gold and silver.

All the bullion required to be coined in London was formerly received at the King's Exchange, and coin was delivered for the same; and, such was the jealousy evinced by our early monarchs in guarding the prerogative of exchanging money, that it was strictly forbidden to be carried on at any other place. King Henry the Third in council issued an order, prohibiting all persons from "making change of plate or other masse of silver but only in his Exchange at London."

To remedy the inconvenience which continually arose from the number of mints throughout the country, Queen Elizabeth in the early part of her reign established one mint in the Tower of London; where, with few exceptions, all the money of the kingdom was coined, until the whole business of coining was removed to the present handsome and convenient edifice.\*

An act passed in the eighteenth of the reign of Charles the Second, for

\* As this building happened to be finished just at the time when, owing to the high price of gold, all specie had disappeared, and also at the time the new custom-house was completed, it was wittily observed by some member of the House of Commons, "that we had a new mint when we had no money, and a new custom-house when we had no trade."

the encouraging the coinage of gold and silver, whereby both natives and foreigners were entitled "to receive out of the mint an equal quantity of our gold and silver coin for what crown gold or sterling silver they should bring thither, and in the same proportion for over or under fineness, without any expense whatever to the bringers of the same to the mint."

The expense of the coinage was defrayed by a tax on wines, spirits, vinegar, cider, and beer imported.

Charles the Second, being desirous of improving the English coins, desired John Roetier and Thomas Simon, engravers to the mint, to prepare pattern pieces of money to be exhibited at court. The king gave the preference to those by Roetier, which were ordered to be adopted for the new money.

This preference so exasperated Simon, "who," as Folkes says, "did not value his performances less than they deserved, nor knew how to submit to a foreign rival," that he immediately quitted the mint.

In the year 1663, Simon produced a crown piece, with a petition to the king round the edge, which was considered a most extraordinary performance, and valued by the curious as a masterpiece of this kind of workmanship. It resembled what were the common milled five-shilling pieces; but the king's head was larger, the face and garment covered with a sort of frosted work, the letters were expressed by outlines frosted in the middle, and under the head was the name of Simon. Upon the reverse was the figure of Saint George on horseback, encircled with the garter, the date 1663, and upon the edge the artist's petition, viz. : — "Thomas Simon most humbly prays your Majesty to compare this his trial piece with the Dutch, and if more truly drawn and embossed, more gracefully ordered, and more accurately engraven, to relieve him."

It was said there were not more than twenty of these pieces struck off with the petition, and a small number without. It is not ascertained what relief Simon obtained upon the petition; but it is quite certain he was never afterwards employed at the mint.

As the trial of the pix at the Exchequer is very ancient and curious, and, though carried on in an open court, is yet so little known, it may not be uninteresting to trace it from the earliest period in which it is to be found in our records, and to state the manner in which it is conducted at the present time.

The wisdom of our ancestors did not allow them to consider the private assay within the mint, which sanctioned the delivery of the coins to the owners of the bullion, as a sufficient security for the integrity of the coins, but required them to be submitted to a trial by jury. This examination is technically called the Trial of the Pix, from the box in which the coins which have been selected for that purpose are contained, and in which they are secured by three locks, the keys of which are respectively in the custody of the Warden, Master, and Comptroller of the Mint.

It does not appear that the ancients had any such public examination; and the earliest notice of the pix which is to be met with in any modern foreign mint occurs in the reign of Philip the Sixth of France, in the

fourteenth century ; but whether that account relates to a public trial cannot be determined.

Its introduction into our courts is of high antiquity ; for in the ninth and tenth of Edward the First it is mentioned as a mode well known. In one of those years, the king, by his writ, "commanded the Barons of the Court of Exchequer to take with them Gregory de Rokelsey, then Master of the Mint, and straightway, before they retired from the Exchequer, to open the boxes of the assay of London and Canterbury, and to make the assay *in such manner as the king's council were wont to do*, and to take an account thereof, so that they might be able to certify the king touching the same, whenever he should please."

From this record, which is the most ancient hitherto discovered relating to this trial, it appears that previous to the above date it had usually been made before the king's council ; but by authority of the writ above quoted, it was then to be held in the Court of Exchequer in the presence of the Barons.

At one period the trial took place before the Lord President of the Council, the Commissioners of the Great Seal, and others of the Council of State and Committee of Revenue, by virtue of an act of Parliament ; at another, before the Lords Commissioners of the Treasury, the Justices of the several Benches, and Barons of the Exchequer, or some of them.

The earliest notice recorded, in which the judgment of professional artists was required to sanction as a jury the decision of the court, is dated the thirty-seventh of Elizabeth, when a trial was held at the Star-Chamber.

The practice of summoning the court is as follows : — Upon a memorial being presented by the Master of the Mint, praying for a trial of the pix, the Chancellor of the Exchequer moves his Majesty in council for that purpose. A summons is then issued to certain members of the Privy Council to meet at the office of the receiver of the fees in his Majesty's Exchequer, at eleven o'clock in the forenoon, on a certain day. A precept is likewise directed by the Lord High Chancellor to the wardens of the Goldsmiths' Company, requiring them to nominate and set down the names of a competent number of sufficient and able freemen of their company, skilful to judge of and present the defaults of the coins, if any should be found, to be of the jury to attend at the same time and place. This number is usually twenty-five, of which the Assay Master is always one.

When the court is formed, the clerk of the Goldsmiths' Company returns the precept, together with the list of names ; the jury is called over, and twelve persons are sworn.

The following is the form of the oath, as administered to a jury in March, 1847 : — " You shall well and truly, after your knowledge and discretion, make the assays of those moneys of gold and silver, and truly report if the said moneys be in weight and fineness according to the Queen's standard in the treasury for coins ; and also if the same moneys be sufficient in alloy, and according to the covenants comprised in an indenture thereof, bearing date the 6th day of February, 1817, and



made between his late Majesty King George the Third and the Right Honorable William Wellesley Pole. So help you God."

The above oath having been administered, the president gives his charge to the jury, that they examine by fire, by water, by touch, or by weight, or by all or by some of them, in the most just manner, whether the moneys were made according to the indenture and standard trial pieces, and within the remedies.

The jury then retire to the court-room of the Duchy of Lancaster, whither the pix is removed, together with the weights of the Exchequer and Mint, and where the scales which are used on these occasions are suspended, the beam of which is so delicate that it will turn with the merest trifle, when loaded with the whole of the weights, 48 lbs. 8 oz. in each scale.

The jury being seated, the pix is opened, and the money, which had been taken out of each delivery and deposited therein, inclosed in a paper parcel, under the seals of the Warden, Master, and Comptroller of the Mint, is given into the hands of the foreman, who reads aloud the indorsement, and compares it with the account which lies before him.

He then delivers the parcel to one of the jury, who opens it and examines whether the contents agree with the indorsement. When all the parcels have been opened, and found to be right, the moneys contained in them are mixed together in wooden bowls, and afterwards weighed.

Out of the moneys so mingled, the jury take a certain number of each species of coin, to the amount of a pound weight, for the assay by fire; and, the indented trial pieces of the gold and silver of the dates specified in the indenture being produced by the proper officer, a sufficient quantity is cut from either of them for the purpose of comparing with it the pound weight of gold or silver which is to be tried, after it has been previously melted and prepared by the usual method of assay.

When that operation is finished, the jury return their verdict, wherein they state the manner in which the coins they have examined have been found to vary from the weight and fineness required by the indenture, and whether and how much the variations exceed or fall short of the remedies which are allowed; and according to the terms of the verdict the master's *quietus* is either granted or withheld.

As far back as there is any record of these proceedings, to the honor of those gentlemen who have held the important office of Master of the Mint be it told, there has never been a deviation from the appointed standard of value.

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**CURRENCY.** — Money or currency is an instrument of the first necessity to a nation. No trade or commerce can be carried on without it. A nation using a currency wholly metallic may feel a scarcity of money, but cannot be drained of it, any more than a mechanic can be made to part with the tools necessary to carry on his daily business. Over-trade may take place in such a community. An excessive importation of foreign commodities may cause an exportation of the precious metals to a degree of inconvenience. — *N. Appleton.*

## BANK STATISTICS.

## MAINE.

*Comparative View of the Banks of Maine, 1846-1851.*

LIABILITIES.	May, 1846.	May, 1848.	May, 1850.	May, 1851.
Capital, . . . . .	\$ 2,009,000	\$ 2,920,000	\$ 3,148,000	\$ 3,586,100
Circulation, . . . . .	2,240,820	2,315,520	2,301,160	2,994,905
Individual deposits, . . . . .	1,257,648	1,129,774	884,455	1,399,137
Profits undivided, . . . . .	117,222	122,877	158,290	169,390
Due to banks, . . . . .	93,710	112,955	85,260	111,728
Total liabilities, . . . . .	\$ 6,718,398	\$ 6,601,126	\$ 6,577,155	\$ 8,251,260
RESOURCES.	May, 1846.	May, 1848.	May, 1850.	May, 1851.
Loans, . . . . .	\$ 5,391,113	\$ 5,189,090	\$ 5,350,860	\$ 6,450,460
Bank balances, . . . . .	769,095	579,140	487,560	813,232
Specie on hand, . . . . .	219,068	521,536	424,196	630,296
Real estate, . . . . .	191,714	129,008	113,464	102,570
Bills of Maine banks, . . . . .	76,390	99,570	131,043	150,016
Bills of other banks, . . . . .	71,068	82,784	69,742	104,686
Total resources, . . . . .	\$ 6,718,398	\$ 6,601,126	\$ 6,577,155	\$ 8,251,260

## NORTH CAROLINA.

*Comparative View of the Bank of Cape Fear and Branches, 1845-1851.*

LIABILITIES.	May, 1845.	May, 1848.	Nov., 1848.	April 1, 1851.
Capital, . . . . .	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Circulation, . . . . .	1,123,498	1,528,292	1,357,625	1,973,100
Miscellaneous, . . . . .	642	249	420	7,225
Individual deposits, . . . . .	194,769	202,567	192,335	335,026
Bank balances, . . . . .	84,713	16,627	17,526	23,452
Surplus, . . . . .	124,706	75,265	79,435	187,774
Total liabilities, . . . . .	\$ 2,998,318	\$ 3,323,000	\$ 3,147,341	\$ 4,026,577
RESOURCES.	May, 1845.	May, 1848.	Nov., 1848.	April 1, 1851.
Discounted notes, . . . . .	\$ 1,826,418	\$ 1,817,906	\$ 1,771,863	\$ 1,932,873
Bills of exchange, . . . . .	24,499	. . . .	239,337	529,600
Bank balances, . . . . .	417,951	656,725	65,037	381,185
Notes of other banks, . . . . .	213,928	229,206	142,185	214,417
Specie on hand, . . . . .	438,710	552,515	608,162	747,857
Real estate, . . . . .	66,822	66,648	70,737	70,645
United States Stock and Treasury-notes, . . . . .	. . . .	. . . .	250,000	150,000
Total resources, . . . . .	\$ 2,998,318	\$ 3,323,000	\$ 3,147,341	\$ 4,026,577

Out of the above surplus fund of \$ 187,774, a dividend of four per cent. was declared in April, 1851, leaving undivided profits \$ 127,774, or about 8½ per cent. of the capital. By the act of the Legislature of 1851, the Bank of Cape Fear is authorized to increase its capital stock from its present sum, \$ 1,500,000, to \$ 2,000,000; a branch of the bank to be established at Greensboro within six months.

## MARYLAND.

*Condition of the Farmers' Bank of Maryland, at Annapolis, and its Branches at Easton and Frederick, January 1, 1851.*

## LIABILITIES.

Capital paid in, . . . . .	\$ 819,575
Notes in circulation at this date, . . . . .	277,243
Balances due to other banks, . . . . .	31,336
Individual and public deposits, . . . . .	582,733
Discounts received since October 1, 1850, . . . . .	16,398
<b>Total liabilities, . . . . .</b>	<b>\$ 1,727,285</b>

## RESOURCES.

Bills of exchange and promissory notes discounted, . . . . .	\$ 1,087,055
Balances due by other banks, . . . . .	204,918
State of Maryland stocks and other stocks, . . . . .	123,144
United States six per cent. stock, at par, . . . . .	96,600
Specie on hand, . . . . .	134,480
Notes and checks of other banks, . . . . .	44,836
Real estate (banking-houses and lots), . . . . .	35,076
Expense account, . . . . .	1,296
<b>Total resources, . . . . .</b>	<b>\$ 1,727,285</b>

On the 1st of January, 1849, the circulation of the Farmers' Bank was \$ 299,713. Deposits, \$ 541,296.

The Maryland banks in 1850 had an aggregate capital of \$ 9,012,873. Circulation, country banks, \$ 1,028,000; city, \$ 2,073,000. Deposits, country banks, \$ 1,321,000; city, \$ 3,840,000. Aggregate specie, \$ 2,526,000. Loans, \$ 14,916,000. Real estate, \$ 384,000.

## DISTRICT OF COLUMBIA.

*Statement of the Capital of the Banks of the District of Columbia, and the Prices of the Stock in 1844 and 1851.*

	Capital.		Market Price.		Circulation.
	1841.	1850.	1844.	1851.	
Farmers and Mechanics', Georgetown, . . . . .	\$ 308,815	\$ 300,000	67	60	. . . .
Bank of the Metropolis, . . . . .	455,625	353,300	83	108	\$ 100,000
Bank of Washington, . . . . .	285,320	279,000	55	75	107,000
Patriotic Bank, . . . . .	171,745	260,000	50	60	. . . .
Bank of Potomac, Alexandria, . . . . .	311,800	*300,000	65	100	. . . .
Farmers' Bank, " . . . . .	163,034	*157,000	82	100	. . . .

The charters of all these banks expired some years since, and were not extended by Congress. They then passed into the hands of trustees, under whose management, for the benefit of the stockholders, they have since been carried on. In fact they are now private banks.

\* The Bank of Potomac, at Alexandria, was, in the year 1847, merged in and became a branch of the Farmers' Bank of Virginia. The Farmers' Bank at Alexandria became a branch of the Exchange Bank of Virginia at the same time. The specie of the District banks is generally equal to their circulation.

## THE BANKS OF NEW YORK.

By official notices from the Comptroller's office of New York, we learn that the time fixed by law for the redemption of the circulating notes of the following banks has expired, and that a final dividend has been declared upon the unpaid balances of the outstanding certificates issued on account of said banks, which will be paid on presentation at the office of the Superintendent of the Banking Department, Albany, on or before the 12th day of August, 1851, *and not otherwise*.

We annex hereto the rates of redemption payable within six months from the 1st of May, 1850; and the rates now payable *as a final dividend*.

Name of Suspended Bank.	Redemption, 1850.		Redemption, 1851.	
	Stocks, Bonds, and Mortgages.	Stocks alone.	Stocks, Bonds, and Mortgages.	Stocks.
Allegany County Bank, . . . . .	50 per ct.	36 per ct.	1½ per ct.	3 per ct.
Bank of America, Buffalo, . . . . .	76 "	78 "	2½ "	7½ "
Bank of Commerce, " . . . . .	..	76 "	..	6½ "
Bank of Lodi, . . . . .	97 "	83 "	50 "	..
Bank of Olean, . . . . .	74 "	87 "	4½ "	42 "
Bank of Tonawanda, . . . . .	..	68 "	..	7 "
Bank of Western New York, . . . . .	..	75 "	..	2½ "
Binghamton Bank, . . . . .	74 "	79 "	4½ "	..
Cattaraugus County Bank, . . . . .	77 "	86 "	½ "	45 "
Chelsea Bank, New York, . . . . .	..	25 "	..	..
City Trust and Banking Company, . . . . .	..	Par.	..	..
Erie County Bank, . . . . .	60 "	72 per ct.	2½ "	51 "
Farmers' Bank, Orleans, . . . . .	Par.	..	..	..
Farmers' Bank of Seneca County, . . . . .	74 per ct.	Par.	51 "	..
Farmers and Drivers' Bank, Erie County, . . . . .	..	Par.	..	..
Mechanics' Bank, Buffalo, . . . . .	63 "	..	4½ "	..
Merchants' Exchange Bank, Buffalo, . . . . .	65 "	81 per ct.	13 "	6 "
Millers' Bank, Clyde, . . . . .	94 "	Par.	50 "	..
New York Banking Company, . . . . .	..	42 per ct.	..	1 "
Phoenix Bank, Buffalo, . . . . .	73 "	..	4½ "	..
State Bank of New York, Buffalo, . . . . .	..	30 "	..	6 "
Staten Island Bank, . . . . .	56 "	..	3 "	..
St. Lawrence Bank, . . . . .	50 "	32 "	2 "	3 "
Tenth Ward Bank, . . . . .	..	94 "	..	33½ "
Union Bank, Buffalo, . . . . .	..	81 "	..	4½ "
United States Bank, Buffalo, . . . . .	77 "	..	5½ "	..

The first column shows the rate of redemption, in 1850, of such notes as were secured by stocks, bonds, and mortgages. The second column, the rates of redemption on such as were secured by stocks only; while the third and fourth columns show the present rate per cent. payable on the balances or sums left unpaid in 1850.

In December, 1850, the whole number of banking associations and individual bankers doing business under the "General Banking Law" was 136; viz. Banking Associations, 71; Individual Bankers, 65. The whole amount of circulating notes issued to these, at that time, was \$ 14,203,115, for the redemption of which the Comptroller of the State held in trust \$ 14,823,066.

**NEW BANKS IN THE STATE OF NEW YORK, ESTABLISHED SINCE DECEMBER, 1850.**

<i>Name.</i>	<i>Circulation.</i>	<i>Bonds and Mortgages.</i>	<i>United States Stock.</i>	<i>New York Stocks.</i>
Bank of Chemung, . . . . .	\$ 49,995	\$ 21,500	. . . . .	\$ 30,000
Commercial Bank, Clyde, . . . . .	37,800	5,000	\$ 23,000	23,200
Chatham Bank, New York, . . . . .	28,000	. . . . .	50,000	53,000
Excelsior Bank, Meridian, . . . . .	50,652	. . . . .	20,000	31,568
Merchants' Bank, Granville, . . . . .	49,635	. . . . .	20,000	30,542
Merchants' Bank, Syracuse, . . . . .	45,000	11,600	47,500	47,500
Bank of Newburgh, . . . . .	40,100	. . . . .	20,000	21,000
New York State Bank, Albany, . . . . .	. . . . .	. . . . .	. . . . .	. . . . .
New York Bank, Hadley, . . . . .	73,850	655	10,100	64,040
Union Bank, Monticello, . . . . .	. . . . .	. . . . .	26,000	26,190

☞ We will soon publish similar statements as to the securities and circulation of numerous other new banks in that State.

**KENTUCKY.**

*Farmers' Bank of Kentucky, and Branches.*

<b>RESOURCES.</b>	
Notes discounted, . . . . .	\$ 159,123.32
Bills of exchange, . . . . .	446,497.61
Offices and furniture, . . . . .	21,356.89
Due from banks, . . . . .	831.58
Specie, . . . . .	289,834.30
Bills of other banks, . . . . .	94,731.00
<b>Total resources,</b> . . . . .	<b>\$ 1,012,364.70</b>
<b>LIABILITIES.</b>	
Capital stock, . . . . .	\$ 330,301.00
Circulation, . . . . .	561,600.00
Deposits, . . . . .	106,688.04
Discount and exchange, . . . . .	23,675.05
Expenses, . . . . .	8,899.39
<b>Total liabilities,</b> . . . . .	<b>\$ 1,012,364.70</b>

We learn that W. B. Robbins, Esq., Special Agent of the Farmers' Bank of Kentucky, will open books of subscription to give our capitalists an opportunity to fill up the capital stock of that institution, on the 12th instant, at the office of the Ohio Life Insurance and Trust Company, in Wall Street. This bank is now in successful operation, with a capital subscribed of \$ 668,900, of which \$ 468,230 have been paid in, and the balance will be forthcoming according to the terms of the subscription. It is believed by the friends of the bank that its facilities for doing a safe and profitable business are unequalled, and that ten to twelve per cent. per annum can be relied on as a regular dividend. The advantages possessed by capitalists at the West render it more difficult to secure further heavy subscriptions in that quarter, and have induced the managers of this institution to apply here for an additional sum of \$ 500,000.

— *New York Journal of Commerce*, June 10.

## NEW BANK LAWS OF MASSACHUSETTS,

ADOPTED IN THE SESSION OF 1851.

I. THE GENERAL BANKING LAW. II. THE LAW TO REESTABLISH THE  
BOARD OF BANK COMMISSIONERS.*An Act to Authorize the Business of Banking.**Be it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, as follows : —*

§ 1. ANY persons, not less than fifty in number, and their successors, may become a body corporate, for the purpose of carrying on the business of banking, on the terms and conditions prescribed in this act ; and such corporation, the stockholders and officers thereof, shall be entitled to all the powers, privileges, and remedies, and shall be subject to all the duties, liabilities, and restrictions, set forth in the public statutes of this Commonwealth, and in such acts as may hereafter be passed by the General Court, relative to banks and banking, so far as the same be not inconsistent with the provisions contained in this act : *Provided*, that the capital stock of any bank hereby authorized to be established shall not be less than one hundred thousand dollars, nor more than one million of dollars.

§ 2. The capital stock of any such bank shall be divided into shares of one hundred dollars each, which shall be transferable only at its banking-house, and on its books ; and such capital stock shall be paid in gold or silver money, in such instalments and at such times as the stockholders may direct : *Provided*, that one half of the said capital stock shall be paid in before such bank shall go into operation, and that the whole of such capital stock shall be paid in within one year after such bank shall go into operation.

§ 3. Before any such corporation shall commence the business of banking, the president and directors thereof, under their hands and seals, shall make a certificate, which shall specify, —

First, the corporate name of such bank ;

Secondly, the name of the city or town in which such bank is to be located ;

Thirdly, the amount of its capital stock, and the number of shares into which the same shall be divided ;

Fourthly, the names and places of residence of the stockholders, and the number of shares held by each ;

Fifthly, the time when such bank is to go into operation ; —

Which certificate shall be acknowledged before a justice of the peace, and recorded in the registry of deeds of the county in which such bank is to be located, and a copy thereof shall be filed in the office of the Secretary of the Commonwealth ; and copies of such certificate, duly attested by the register of deeds or Secretary of the Commonwealth, shall be admitted as sufficient evidence in all the courts of law,

and on all occasions whatever : *Provided*, that no bank established under the provisions of this act shall take the name of any bank heretofore organized or incorporated in this Commonwealth.

§ 4. It shall be lawful for any bank, organized under this act, by a vote of three fourths of its stockholders, to increase its capital stock ; but in such case, the same proceedings shall be had as are provided for in the preceding section of this act.

§ 5. Such bank shall carry on at its banking-house, but not elsewhere, the usual business of banking. It may receive deposits, and loan and negotiate its money and effects by discounting, on banking principles, upon such securities as its stockholders may deem expedient ; and dividends of its profits may be made by its directors every six months. And if any such bank, after receiving circulating notes as hereinafter provided, shall neglect or omit to carry on the usual business of banking, as provided in this section, such neglect or omission shall work a forfeiture of its privilege, and it may be proceeded against as provided in the twentieth section of this act.

§ 6. The Auditor of Accounts is hereby authorized and required to cause to be engraved and printed, in the best manner to guard against counterfeiting, circulating notes in the similitude of bank-notes in blank, of such denominations as may now be issued by the incorporated banks of this Commonwealth, and in such quantities as he may, from time to time, deem necessary to carry into effect the provisions of this act ; and whenever such notes shall be delivered to any bank established under the provisions of this act, each of the said notes shall be countersigned by the said auditor, and shall be numbered and registered in proper books, kept by him for this purpose in his office.

§ 7. Whenever any bank, established under the provisions of this act, shall transfer to the auditor, at a rate not above its par value, nor above its current market value, any of the public stock issued or to be issued by any city or town in this Commonwealth, or by either of the States of Massachusetts, Maine, New Hampshire, Vermont, Connecticut, Rhode Island, or New York, or by the United States, amounting in the aggregate to not less than fifty thousand dollars, and to an amount not exceeding twenty-five per cent. above its capital stock, such bank shall be entitled to receive from the said auditor an equal amount of circulating notes, countersigned and registered as aforesaid ; and such notes shall be stamped on their face, "Secured by the pledge of public stocks" : *Provided, always*, that the stock above specified shall be, or be made to be, equal to a stock of this State producing six per cent. per annum.

§ 8. The auditor, upon the application of any bank which shall have deposited stock in trust, may, in his discretion, surrender such stock, or any part thereof, to such bank, and transfer the same or any part thereof in exchange for other stocks of the kinds before specified in this act, or upon receiving and cancelling an equal amount of circulating notes delivered by him to such bank : *Provided*, that the circulating notes held by such bank shall always be secured in full by public stocks, as in this act provided, and shall not be reduced below fifty thousand dollars.

§ 9. The auditor shall make and deliver to any bank, established under this act, powers of attorney to receive the interest and dividends which may be, or may become, due on the public stock deposited by such bank in his hands ; but said auditor shall have authority to revoke such powers of attorney whenever, in his judgment, the public safety requires him so to do ; and all moneys received by him as interest or dividends shall be held in trust for and on account of the said bank.

§ 10. Such bank, after having executed and signed such circulating notes, as required by law to make them obligatory notes, payable on demand at their banking-house, is hereby authorized to loan and circulate the same as money according to the ordinary course of banking business as regulated by the laws and usages of this Commonwealth, and it shall not be lawful for such bank to issue any other circulating notes.

§ 11. In case any such bank, after receiving such circulating notes, countersigned and registered as aforesaid, shall refuse or delay payment, in gold or silver money, of any such note or notes issued by such bank, presented for payment in their usual hours of business, it shall be liable to the penalty now prescribed by law for a failure to redeem bills on presentation, and the holder of any such note or notes, making such demand, may cause the same to be protested in the usual manner ; and the auditor, on receiving and filing in his office such protest, shall forthwith give notice, in writing, to such bank that issued such protested note or notes ; and if such bank shall neglect or refuse to redeem such notes in gold or silver money for ten days after such notice, the auditor shall immediately thereupon, unless he shall be satisfied that there is a good and legal defence against the payment of such note or notes, give notice, by publication in two or more newspapers, that all the circulating notes issued by such bank will be redeemed out of the trust funds in his hands for such purpose ; and the auditor shall be required to apply the said trust funds belonging to the bank that issued such protested notes to the payment, *pro rata*, of all such circulating notes, whether protested or not, put in circulation by such bank that issued such protested notes pursuant to the provisions of this act, and to adopt such measures for the payment of such notes, as will, in his opinion, most effectually prevent loss to the holders thereof.

§ 12. The provisions of the 4th section of the Revised Statutes, chap. 36, and so much of the 8th section as relates to the amount of bills to be issued by any bank, shall not apply to banks established under this act ; nor shall the 11th section of chapter 93 of the acts of 1843 : *Provided* that no bank established under this act shall pay out from its counter any bills except its own, or those of other banks of this Commonwealth.

§ 13. The plates, dies, and materials to be procured by the auditor for the printing and making of the circulating notes hereby provided for, shall remain in his custody and under his direction ; and each bank established under the provisions of this act shall pay such portion of the expense thereof as shall seem to the auditor just and reasonable.

§ 14. It shall not be lawful for the auditor to countersign circulating



notes for any bank to an amount in the aggregate exceeding the public stocks, as heretofore specified, deposited by such bank in his hands; and any auditor who shall wilfully violate the provisions of this section, shall, upon conviction, be adjudged guilty of a misdemeanor, and shall be punished by a fine not less than five thousand dollars, or be imprisoned not less than five years, or by both fine and imprisonment.

§ 15. Each bank established under the provisions of this act shall, in addition to the returns now required by law, specify and describe the stocks which it has deposited with the auditor.

§ 16. The Secretary of the Commonwealth shall prepare, in the manner now required by law, a separate abstract of the returns of the banks established agreeably to the provisions of this act; and the annual meetings of the stockholders for the choice of directors shall be held in conformity thereto, agreeably to the provisions of the tenth section of the ninety-third chapter of the acts of the year one thousand eight hundred and forty-three.

§ 17. The Bank Commissioners shall have the same power over the banks, hereby authorized to be established, as they have, or shall have, over the incorporated banks of this Commonwealth; and it shall be their duty also to examine the certificates of stocks held by the auditor, and if in their opinion any of such stocks have depreciated in value to make them unsafe for the security deposited, such commissioners shall require such bank to exchange such security or give additional security to the satisfaction of such commissioners; and also examine the amount of circulating notes which may have been issued to any bank on account thereof.

§ 18. Whenever any bank, established under the provisions of this act, shall have redeemed and returned to the auditor at least ninety per cent. of the bank-notes which it may have received, and shall deposit, in the name of the auditor, in such bank as he shall approve, an amount of money equal to the unredeemed circulating notes of such bank, it shall be lawful for him to receive the same, and to give up all the securities theretofore deposited by such bank.

§ 19. Any bank which shall have complied with the provisions of the preceding section, may give notice, for six years, in any newspaper authorized to publish the laws of the Commonwealth, and also at least in one newspaper published in the county where such bank is located, that all circulating notes issued by such bank must be presented at the auditor's office within six years from the date of such notice, and that, at the termination of said six years, the said notes will not be redeemed; and on proof that such notice has been given, it shall be the duty of the auditor to pay over to such bank any moneys in his hands; and such bank shall not be longer held for the redemption of its bills.

§ 20. Whenever any justice of the Supreme Judicial Court shall be satisfied, from the certificate of the auditor or otherwise, that any bank, established under the provisions of this act, is insolvent, or that its condition is such as to render its further continuance hazardous to the public, or to those having funds in its custody, or that the bank has exceeded its powers, or has failed to comply with all the rules, restrictions, and

conditions provided by law, the same proceedings shall be had as may now be had in reference to any incorporated bank of this Commonwealth agreeably to the ninety-third chapter of the acts of the year one thousand eight hundred and forty-three, and the acts in addition thereto.

§ 21. Whenever any bank shall be placed in the charge of agents or receivers by any justice of the Supreme Judicial Court, it shall be the duty of the auditor to transfer and pay over to such agents or receivers all stocks or moneys held by him as the property of such insolvent bank, such stocks and moneys, or the proceeds thereof, to be faithfully applied, by such agents or receivers, to the redemption of the circulating notes of such bank.

§ 22. The legislature may, at any time, alter, amend, or repeal this act; and may also, by special act, annul or dissolve any corporation existing under the same; but the dissolution of such corporation, either by repeal of this act, or by special act, shall not take away or impair any remedy given against the same, its stockholders or officers, for any liability which may have been previously incurred.

*An Act establishing a Board of Bank Commissioners.*

*Be it enacted, &c., as follows:—*

§ 1. THERE shall be appointed by the Governor, with advice of Council, on or before the first day of June next, three persons, to be styled Bank Commissioners, who shall exercise the powers and perform the duties hereinafter specified, for the term of three years, and until their successors are appointed and qualified: *Provided, however,* that the first named of said commissioners shall go out of office at the end of one year, and the next named go out at the end of two years, and a third person named, at the end of three years, and so on in rotation afterward, each commissioner at the end of three years; but any person going out of office may be reappointed; *and provided, further,* that the Governor, with advice of Council, may at any time remove from office any or all of said commissioners, and fill all vacancies.

§ 2. The said commissioners, or any two of them, at least once in every two years, and as much oftener as they may deem expedient, shall visit every bank and institution for savings which has been or may be incorporated by authority of this Commonwealth, and shall have free access to their vaults, books, and papers, and shall thoroughly inspect and examine all the affairs of said corporations, and make any and all such inquiries as may be necessary to ascertain the condition of said corporations, and their ability to fulfil all the engagements made by them, and whether they have complied with the provisions of law applicable to their transactions; *and provided* always, that the said commissioners shall examine all banks within the first year after they shall go into operation; and also, all banks which shall receive acts to increase their capital stock, within the first year after the additional stock shall be paid in.

Said commissioners shall examine, every year, as nearly one half

of all the institutions under their charge as they may be able to do, and shall preserve in a permanent form a full record of their proceedings, including a statement of the condition of each bank.

§ 3. The said commissioners, or either of them, may summon, and examine under oath, all directors, officers, or agents of said corporations, and such other witnesses as they may think proper, in relation to the affairs, transactions, and condition of such corporations; and any such director, officer, agent, or other person, who shall refuse, without justifiable cause, to appear and testify, when thereto required as aforesaid, or who shall obstruct, in any way, any commissioner in discharge of his duty, as prescribed in this act, shall, on conviction thereof, be subject to a fine not exceeding one thousand dollars, or imprisonment for a term not exceeding one year.

§ 4. In addition to the examination herein provided for, if any five or more persons, who shall be officers, stockholders, or creditors of any bank or institution for savings, shall make and sign a certificate, under oath, setting forth their interest and the reasons for making such examination, directed to the commissioners, requesting them to examine any bank or institution for savings which may be designated by them, it shall be the duty of said commissioners to proceed forthwith, and make a full investigation of the affairs of such corporation, in the manner hereinbefore provided.

§ 5. If, upon examination of any bank, or institution for savings, a majority of the said commissioners shall be of opinion that the same is insolvent, or that its condition is such as to render its further progress hazardous to the public, or to those having funds in its custody, in any such case it shall be their duty to apply, or if upon such examination they shall be of opinion that the said bank or institution for savings has exceeded its powers, or has failed to comply with any of the rules, restrictions, and conditions provided by law, they may apply to some one of the justices of the Supreme Judicial Court to issue an injunction to restrain such corporation, in whole or in part, from further proceeding with its business, until a hearing of the said corporation can be had; and such justice shall forthwith issue such process, and, after a full hearing of said corporation upon the matters aforesaid, may dissolve or modify said injunction, or make the same perpetual, and make such orders and decrees, to suspend, restrain, or prohibit the further prosecuting of the business of such corporation, as may be needful in the premises, according to the course of chancery proceedings, and, at his discretion, may appoint agents or receivers to take possession of the property and effects of the corporation, subject to such rules and orders as may, from time to time, be prescribed by the Supreme Judicial Court, or any justice thereof, in vacation; and said commissioners shall have power to appoint a clerk of their board, prescribe his duties, and fix his compensation, whenever the public good may, in their opinion, demand such appointment.

§ 6. Said commissioners, in the month of December, annually, shall make a report to the Secretary of the Commonwealth, of the general conduct and condition of the corporations visited by them, making such

suggestions as shall by them be deemed expedient ; and if any of said corporations shall, in the opinion of the commissioners, be found at any time to have violated any law of this Commonwealth, they shall forthwith make a special report on the subject of such violation, containing such statements and remarks as they may deem expedient, to the Secretary of the Commonwealth, and the Secretary shall give notice of the same to the Attorney-General, who shall at once prosecute the same in behalf of the State ; and the report of the commissioners shall be printed, and laid before the legislature at the next session thereof.

§ 7. Before entering on the duties of their office, said commissioners shall severally make oath before some justice of a court of record, or before any two justices of the peace within the Commonwealth, a certified copy of which shall be returned, within thirty days, to the office of the Secretary of the Commonwealth, that they will faithfully and impartially discharge and perform all the duties incumbent upon them in their said office, agreeably to the constitution and laws of this Commonwealth, and according to their best abilities and understanding.

§ 8. No bank shall discount any note or bill of exchange to which a Bank Commissioner is a party, either as principal, surety, indorser, or otherwise.

§ 9. Each of said commissioners shall receive, as compensation for his services, five dollars for each and every day employed by him, and at the rate of one dollar for every twenty miles' travel, in the performance of the duties prescribed by this act ; and the Governor is hereby authorized to draw his warrants on the treasury therefor, including compensation for any clerk who may be employed by said commissioners.

§ 10. If the commissioners shall find, at the examination of any bank, that the directors or cashier have violated any of the existing laws in relation to banks and banking, they shall report the same to the Secretary of the Commonwealth, who shall, on receiving such information, cause the law relative thereto to be forthwith executed.

§ 11. This act shall take effect from and after its passage.

Approved, May 8th, 1851.

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#### AN ACT RELATING TO WEIGHTS AND MEASURES.

In all cases of buying and selling, where, by the customs of trade, the weights, measures, scales, beams, and balances used, are provided by the buyer, he shall be subject to the same penalties for the employment of illegal weights, measures, scales, beams, or balances, to be recovered in the same manner, and to the same use, as are enacted against the seller for the like offence, by the fifth section of the act, to which this act is in addition.

Passed, April 19, 1851.

## THE GENERAL BANKING LAW.

## DEBATE ON THE GENERAL BANKING LAW OF MASSACHUSETTS.

From the Boston Post, May 30, 1851.

It is generally admitted that this is by far the most important legislative measure of the session, and hence it may not be out of place to review the history of its passage.

Mr. Frothingham of Charlestown, we learn, introduced it, substantially as it is, into the House of Representatives, and at the same time made an exposition of the principles of the bill. This speech was printed in this paper of May 1. The bill was referred in the House to a special committee, consisting of Messrs. Frothingham, Kellogg of Pittsfield, Whitney of Conway, Hooper of Boston, and Claflin of Hopkinton. To this the Senate joined Messrs. Warner of Norfolk, and De Witt of Worcester. This committee, after several sessions, reported that the bill ought to pass; and, save a few verbal alterations, so unimportant that they were not voted upon, with only two amendments, — one reducing the minimum amount of deposit from \$100,000 to \$50,000, which was retained, and another exempting the banks from the provisions of the laws as to directors' loans, which was stricken out by the Senate.

The consideration of the bill was assigned for the 6th of May, when Mr. Frothingham made another speech, explaining the details of the bill. It was opposed by Messrs. Allen of Roxbury (Whig), Gardner of Boston (who dwelt on its monopolizing character and its profitableness over the old system), Conant of Randolph (Democrat), and Stevenson of Boston (Whig); the latter moved two amendments, one proposing to incorporate into the bill a radical change in assessing the bank tax on *all* banks, and the other prohibiting such banks as might form under the law from paying out any bills but their own, — the effect of both which would have been to kill the bill. Mr. Frothingham warmly opposed both amendments. Mr. Cushing of Newbury supported the bill in a speech characterized by the eminent ability that marked his whole legislative course. The bill was further opposed by Messrs. Stevenson of Boston, Conant of Randolph, Williams of Taunton (Whig), who figured out how *unprofitable* banks would be under it, and Hall of Boston (Whig). On the next day the debate was renewed, when the bill was further opposed by Messrs. Fuller, Brooks, Hall, Gardner, and Stevenson, of Boston, and Wells of Chicopee, who made a long speech against it. It was supported briefly by Messrs. Mason of Medway, and Woodbury of Acton (Free Soil), and by Mr. Frothingham, at length, who applied to various speakers in opposition, in a closing speech, which, notwithstanding the long debate, was listened to with the almost undivided attention of the House. The question was then taken, and the bill passed to a third reading by a vote of 155 to 129, — one of Mr. Stevenson's amendments having been withdrawn and the other voted down.

It was supposed by the friends of the bill that opposition to it was wellnigh over, and May 13, at 3½ P. M., was assigned for its further consideration, the question being on its passage to be engrossed. After several amendments in detail were adopted, on motion of Mr. Frothingham, Mr. Walley of Roxbury proposed an amendment that no bank should pay out only countersigned bills. Mr. Wood of Fitchburg (Democrat) spoke against the bill, but Mr. Whitney of Conway (Democrat) gave it his full, frank, and manly support. Mr. Stevenson of Boston then took the floor, and argued at great length against the principle of the bill, contending that it introduced an entire new policy in Massachusetts legislation, that of making preferred creditors in cases of insolvency, and this in the provision securing bill-holders above all others. Mr. Frothingham, in reply, frankly admitted the fact of preference, accepted the issue, claimed it as the peculiar object and merit of the law, and went on to show why that species of credit in the form of circulating notes, proclaimed by statute to be currency, protected by penal statute as such, should be above and beyond the effects of commercial revulsions, and be thus preferred and protected. He gave way to a motion to adjourn. On the next day Mr. Frothingham concluded his reply to Messrs. Stevenson and Walley, when the previous question was moved. Mr. Walley's amendment was first rejected, and the bill, by yeas and nays, on motion of Mr. Borden of Fall River, passed by a vote of 154 yeas to 133 nays.

In the Senate the contest was not so severe. The bill was opposed in an elaborate speech by Mr. Hyde (Whig), cashier of a bank, and briefly by Mr. Seaver of Boston, and ably sustained by Messrs. Warner and De Witt, of the committee, and Messrs. Cazneau and others. Only two amendments were adopted, which were agreed to by the friends of the bill. It passed to be engrossed by a handsome majority.

The opposition to the bill was able, and conducted frankly and fairly. It is not to be wondered that any proposition to change the principle upon which our bank issues are allowed should have been so opposed. Still the bill proposes only that when banks issue bills that are in *fact* only credit, it shall deposit a security that those bills shall be redeemed in *specie* at all hazards.

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## THE RESOURCES OF VIRGINIA.

From the National Intelligencer.

FOR the information of our readers, we publish the interesting letter furnished by the Superintendent of the Census Bureau of the United States. These candid statistics, founded on official returns, which the act of Congress requires, will convince all who read them that the power and resources of this noble Commonwealth are very great:—

“*Census Office, Washington, May 9, 1851.*”

“*SIR,—*In reply to your letter, I may state that, although not pre-

pared to furnish an exact detailed statement of the value of the real estate and personal property in the State of Virginia, the returns have been examined sufficiently to warrant me in stating that the

Value of real estate may be put at . . . . .	\$ 278,000,000
Value of slaves . . . . .	147,000,000
Other personal estate . . . . .	105,000,000
	<hr/>
	\$ 530,000,000

"That there is this amount of wealth in the State of Virginia I have no doubt; and the official result, when fully obtained, if it varies from the above, will exceed it rather than fall short. Estimates have lately been made, placing the amount at \$ 800,000,000, which I think too great, arising from a too frequent recapitulation of the same capital in different hands, — a kind of estimate frequently made, though producing erroneous conclusions, to explain the fallacy of which would require more time than I can now spare, and which to you would be unnecessary and superfluous.

"Very respectfully, your obedient servant,

"JOS. C. G. KENNEDY, *Superintendent Census.*

"HON. WM. SELDEN."

Whilst on this subject, it may be well to report the substance of some other statistics lately furnished by the functionaries of Virginia, showing the debt, liabilities, and resources of that Commonwealth.

The official statement lately made to Virginia by her able Second Auditor, Mr. Brown, shows, that,

On the 30th September last, the public debt of the State, held by individual and private companies, was . . . . .	\$ 9,035,189.30
Of this debt there is held in Great Britain, . . . . .	\$ 2,369,989.20
In France and Germany, . . . . .	368,300.00
	<hr/>
Total in Europe, . . . . .	2,738,289.20
In Virginia, . . . . .	\$ 5,651,461.10
In Maryland, . . . . .	392,139.00
In the District of Columbia, . . . . .	110,400.00
In other States, . . . . .	142,900.00
	<hr/>
Total in the United States, . . . . .	6,296,900.10
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Aggregate amount in all, . . . . .	9,035,189.30
The same statement shows the apparent liabilities of Virginia for guaranteed bonds issued by companies and corporations to complete her improvements, . . . . .	9,425,762.49
	<hr/>
Total debt and liabilities of the State, . . . . .	18,460,951.79
The same statement shows the present value of stocks owned by the State to be, . . . . .	\$ 7,060,565.48
And the value of her stocks that will soon be productive, . . . . .	4,801,677.91
	<hr/>
	11,862,243.39
	<hr/>
Actual deficit, . . . . .	\$ 6,598,708.40

The finance committee of the House of Delegates lately examined the statistics of the auditor, and, after a careful and laborious investigation, proved his figures and estimates to be correct,—as will appear by House Document No. 9, “upon the debt, revenue, and expenditures of the government.”

But the finance committee clearly show that \$844,000 of the apparent liability of the State would never be real, as private subscribers had not complied with the conditions upon which the State agreed to subscribe.

But let us suppose, for round figures, that the indebtedness of Virginia is \$6,500,000, or that that is the amount for which she is required to provide an annual interest, and what a trifle does it seem, when rated by the magnitude of her various and ample means.

The State, well knowing this, did, on the 29th day of March last, pass a law to authorize the Board of Public Works to borrow, on her credit, \$4,000,000, to complete her useful works of internal improvement, and from which a greatly augmented income will be the necessary consequence.

To effect this, the State is about to issue coupon bonds, which will avoid the old trammels which fetter the transfer and negotiability of public stocks. They will run for thirty-five years, and pass from vendor to vendee as often as the seller and purchaser shall desire, without the troublesome formality of assignment and transfer on the records of the government. The bonds will carry six per cent. interest per annum, payable half-yearly in Washington, New York, or wherever the agents and the purchasers of the bonds shall prefer the money to be paid. That the bonds may come within the means of all who desire to purchase them, they will be issued in denominations of from five thousand to five hundred dollars.

To the honor of Virginia, it affords us pleasure to refer to the fact that she has never repudiated nor deferred the payment of her public debt; but she has ample means to discharge every pecuniary obligation into which she could be induced to enter; and that she has recorded her solemn word, upon imperishable statutes, that she will never fail to pay her debts.

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## THE NEW YORK BANKING DEPARTMENT.

From the New York Courier and Enquirer.

AMIDST all its perils of revolution,—of fugitives, and soldiers steady at their post of duty,—the Legislature achieved some action of abiding interest to the people. Nor will the statute-book of 1851 be unheeded or unfelt in the progress of the State. Of that potential chapter concerning assessments,—about which some of our fellow-citizens have ideas allied in association to the days of the Holy Inquisition, when the midnight hour brought the dreaded summons to a tribunal that racked its



brain to ask strange questions, and racked its victims because they did not answer them, — while it is equally true, that many hail it as the beginning of an honest, all-pervading law of equal effect on the full purse and the sickly one, — of this law, I propose to say more hereafter.

The banks of New York are a formidable host, — they represent the wealth of the State, — for, as it is a proverb in London, concerning the private difficulties and quarrels, and quaint episodes of character, developed in will and marriage settlements, — in heirs surfeited and expectants cut off, — “*Sooner or later the lawyers know all*”; so, at one period or the other, in the financial history of every man, he is brought under the observing eye of a board of directors, or their brighter representative, the president or cashier. They, in city and country, know the real worth of a man. They discover whether the gold he wears is solid or galvanized, — and the private, faithful journal of the conversations and decrees around the council-board of the banks of this State would be a volume oftener of tragedy — not very deep in pathos, but tragic to the extent of vexation — than of comedy, and yet sufficiently rich in the latter.

Most emphatically true is this of the country institutions, where a loan is followed beyond its recipient, even to its destination, — and where all that the cashier don't know is not worth knowing.

Hitherto, it has been the policy of this State to vest in one officer, the Comptroller, the burden of the supervision and care of all the banks, — in city and in village, — the safety-fund and the free bank, — the money-kings that tenant the elaborate architecture of Wall Street, and the bank carried in the pocket of some private banker, whose modest operation sought the calm and meditative seclusion of some hamlet, near which no railroad rattled and no river ran.

The Comptroller was the man of all work of the State. The Legislature piled the laws on him. He was supposed to be of the essence of the Indian gum, which could bear an indefinite expansion.

The State seemed to forget that it was beyond the physical power of man, whatever might be the depth of his mental energy, adequately to supervise, in the accuracy of detail, a system whose value depended on the just, unerring correctness of all its arrangements, every day in the year. It was not for the financial officer of this State to complain, and the eminent men who have filled this high position bore it with faithful endurance; and their annual reports gave the best information practicable, under the circumstances, concerning the state of the currency.

During the last session, it was proposed to withdraw from the Comptroller this section of his manifold cares. Certainly he had enough, and more than sufficient, in the duties of the regulation of the finance, of member of the Canal Board, of Commissioner of the Canal Fund, of Commissioner of the Land Office, — in arranging the taxes, — in providing the ways and means necessary to support and sustain the credit of the State, — in all these, there was labor abundant to secure the conscience of the Comptroller from the slightest pang at holding a sinecure!

A bill passed both houses, and was approved by the Governor, which

transferred the duties of the superintendence of the banks, banking associations, and individual bankers to an officer to be denominated the Bank Superintendent, to be appointed by the Governor and Senate, to hold his office for three years, and to receive a salary of \$2,500 per year. The debate on the bill was animated and interesting. It was happily divested of a partisan character, having been passed in the Senate by the vote of two Democrats (Senators Brandreth and Curtis); only sixteen Whigs voting for it, — which would not have been sufficient.

Governor Hunt immediately nominated to the office Daniel B. St. John, of Monticello, — a gentleman, by accurate information, enlightened judgment, courtesy, and unsullied integrity, admirably adapted. The Senate, without dissent or hesitation, confirmed the nomination.

The State Hall deserves a history, which your correspondent intends, in due course, to inflict on your readers. It has a solid, massive, anti-insurance-office look, in its cold, marble flooring and stairway, and walls of depth like a section of Kenilworth Castle. There, dwelling in the midst of a wilderness of papers, the State officers discharge their varied and momentous duties, the Governor and the Adjutant-General being the only ones resident at the capital who have rooms elsewhere.

The room occupied by Mr. St. John, as Superintendent of the Banking Department, is of curious interest. Visiting it, just after the session closed, I found the chill of the day agreeably relieved by a fire of bank-bills. The clerk put them in the open-mouthed destroyer, so coolly and so un pityingly! There they went in by handfuls! the fives and tens, and "all the denominations," as the gazetteer says, when enumerating the theological statistics of a town. Their destiny was accomplished. Every one of them was yet good. If transferred to the pocket instead of the stove, much comfort might have been achieved thereby.

But they had done their duty, — coveted, pursued, amassed, squandered, regretted, the creator of smiles and tears, — they were, at last, by law and regulation, recalled, like an imprudent ambassador. This unceremonious conflagration of money is a species of house-warming somewhat unusual. There is a vast amount of money burnt up in the course of the year, but society usually puts it in different shapes. The bank-notes, I thought, changed into active caloric very readily. The flames dallied but little with an X, and a V was a thing of ashes in an instant. Whether no other fuel is used in this department than retired and superannuated money, I was not informed. In some zeronian days of an Albany winter, nothing short of a C could give a charitable warmth to the room.

But there were treasures there devoted to better uses than the fabrication of material for soap.

There is a vault-room, so guarded and built in, of such capacities of iron and stone, as to defy the burglar and the conflagration, in the treasures of which the people have an intense interest. There is real wealth, — the securities for millions on millions of the currency, that is circulating through all the community, winning men to acts worthy their manhood, or crusting over their heart with avarice.

Beautiful to look upon are some of these emblems of wealth. The ten-thousand-dollar certificates of United States six per cents,—the pledges of the faith of New York (by all who know what our State is, verified as the best security in the wide world),—the stocks winnowed out as of the most undoubted and unquestioned value,—these are here in profusion, piled up, stored away, shelf on shelf loaded up, and yet all systematized and arranged, so that if any bank, in all the length and breadth of the State, falters and fails, the security, pledged and provided, takes immediate and complete care of the people.

This room is the heart of the free-banking system of our State, and its pulsations beat stronger with each succeeding year; for, one after the other, the safety-fund banks gracefully come into the general system. While these securities remain, the country can look calmly and unconcernedly on the ebb and flow of the tides of Wall Street, and the localities of which it is the type. The note that passes from hand to hand,—that represents a loaf of bread, a barrel of flour,—is the practical part of banking. Dividend day—charming and refreshing as it is said to be, by those who tell the “people of the press” of such luxuries, to them unknown—is of minor consequence. Keep the note good, and the rudder is on the ship.

I recommend a visit to the banking department by those whose travel brings them to our State capital. There is an array of financial strength there that tells what New York is,—magnificent, unappreciated New York.

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## SKETCHES OF CURRENCY IN THE COLONIES.

From the Wall Street Journal.

THE first settlers in America had not a sufficient quantity of gold and silver to serve as a circulating medium. Hence other materials, such as *tobacco* and *corn*, were in some of the States occasionally employed as money. In the year 1618, Governor Argal, of Virginia, ordered “that all goods should be sold at an advance of twenty-five per cent., and *tobacco taken in payment at three shillings per pound*, and not more or less, on the penalty of three years’ servitude to the Colony.” In 1641, the General Court of Massachusetts “made orders about payment of debts, setting *corn* at the usual price, and making it payable for all debts which should arise after a time prefixed.” In 1643 they also ordered that *Wampomheag* (an article of traffic with the Indians) should pass current in the payment of debts, at a certain fixed price. In Virginia, young men (and old ones too) bought *wives* payable in tobacco. Maryland also passed an act, as late as 1732, making tobacco a legal tender at one penny a pound, and corn at twenty pence per bushel.

Afterwards gold and silver became more plentiful. The *first mint* was established in Maryland in 1652, and coined shillings, sixpences, and half-penny pieces. In 1645 Virginia prohibited dealings by *barter*,

and established the Spanish piece of eight, at six shillings, as the established currency of that Colony. In all the Colonies the money of account was English, but the coin was chiefly Spanish and Portuguese. But the different Colonies established different values to the dollar, which have continued to this day. The first paper money was issued by Massachusetts in 1690, and the first payable bank was established in South Carolina in 1762, and issued £48,000, to be lent at interest, and sunk at the rate of £4,000 per year. Pennsylvania first issued paper money in 1723, but Virginia does not appear to have issued any paper money prior to the Revolutionary war. At the commencement of war, money was issued upon the authority of Congress. The money was called *Continental money*. The first issue was dated May 10, 1775, but the notes were not actually in circulation until the following August. It slowly increased, and in one year it amounted to \$900,000. No sensible depreciation was experienced the first year or two, but the issues began to increase, and it finally became a natural consequence. In April, 1778, it amounted to \$30,000,000, and the depreciation was as six to one. About this time the alliance with France was made, and, confidence being restored in a great measure, the depreciation was only as four to one, notwithstanding the issues had increased to \$45,000,000.

From April, 1778, to February, 1779, the issues had increased from \$35,000,000 to \$115,000,000; and the depreciation as thirty to one.

The largest amount out was \$200,000,000, and although the issues were discontinued, and a part was absorbed by loan officers and taxes, yet the depreciation increased, and was at the close of the year 1780 as eighty to one; and when Congress in March following acknowledged the depreciation, and offered to exchange the old for the new paper at the rate of forty for one, the old sunk in one day to nothing, and the new shared the same fate.

On the 31st of May, 1781, they ceased to circulate as money, but were afterwards bought on speculation, at various prices, varying from four hundred to one up to one thousand for one.

In the year 1781, Congress granted a charter to be called the "Bank of North America." It was accordingly established in Philadelphia, and commenced business on January 7th, 1782. The charter was given upon the ground that it would offer assistance to the States in carrying on the war. It proved very profitable, and its earliest dividends ranged from 12 to 16 per cent. The State government repealed its charter in September, 1785, upon an allegation that the bank had produced evil effects. But the bank, however, continued its business, claiming the right so to do under the act of Congress. In 1787 the bank was re-incorporated, and thus continued,—its operations being confined to Pennsylvania.

The Constitution of the United States was adopted in 1789, and the government was soon after organized. On the 14th of December, 1790, Alexander Hamilton reported to Congress the plan of a bank. The bill passed in February, 1791, and was presented to General Washington for his approval, who, after considerable consultation with his cabinet, approved it, 25th February, 1791. The idea of this institution was con-

ceived by Alexander Hamilton, the founder of our system of finance. Its continuance was limited by the charter to the 4th of March, 1811, at which time it expired, as Congress refused to renew the charter.

Its capital was limited to \$ 10,000,000 in 25,000 shares of \$ 400 each, payable one fourth in gold and silver, and three fourths in public securities, bearing an interest of three and six per cent. The corporation was restricted from holding property exceeding \$ 15,000,000 in value.

The subscriptions were filled as soon as opened, the government taking 5,000 shares, equal to \$ 2,000,000 ; and the bank went into immediate operation. The stock, a large part of which was held abroad, soon rose considerably above par ; and during the twenty years' continuance of its charter, the average annual dividend amounted to  $8\frac{1}{4}$  per cent.

In June, 1812, war was declared against England, and by August and September, 1814, all the banks south and west of New England had suspended specie payment. The causes of this suspension it is difficult at this lapse of time fully to understand. But the following are probably some of the most important. After the dissolution of the Bank of the United States, in 1811, our country was deprived of more than seven millions of foreign capital, which had been invested in that stock, and which was remitted abroad during the year preceding the war. The great number of banks which were established throughout the interior part of the States, amounting to one hundred and twenty, did not create new capital, but withdrew what might have been lent to government.

The fact, also, that the loans made to government during the war were from the Middle States principally, is important in this connection ; for the proceeds of loans (exclusive of treasury-notes and temporary loans) paid into the treasury, from the commencement of the war to the end of the year 1814, amounted to \$ 41,000,000 of that sum.

Eastern States lent . . . . .	\$ 2,900,000
New York, Pennsylvania, Maryland, and District of Columbia . . . . .	35,790,000
The Southern and Western States . . . . .	2,320,000
Total, . . . . .	\$ 41,010,000

The floating debt (not including the above) amounted on January 1, 1851, to \$ 11,250,000, about four fifths of which were also due to the Middle States. Almost the whole of the large amount loaned to government by these States was advanced by the cities of New York, Philadelphia, and Baltimore. Another cause which tended to the suspension was the fact that *large amounts* of British government bills were sent to this country from Canada, and sold at a discount of 20 to 34 per cent. The *average* depreciation on bank-bills was about 17 per cent., the banks being perfectly independent of each other, and refusing to take each others' bills. *Coin* was out of the question. Confusion became the order of the day.

Taxes could not be collected by the government without great difficulty. The disorder became so general, that it led to the formation of the *Bank of the United States*. This bank went into operation in January 1, 1817.

THE BANKING-HOUSE OF GREENE AND COMPANY.

From the Boston Daily Advertiser.

THE following letter from a correspondent in Paris, containing an appropriate notice of the late Mr. Greene, for many years resident in Havre, and afterwards in Paris, happened to be forwarded by the mail of the steamer Atlantic, and in consequence of the accident to that vessel, the receipt of the letter has been delayed to this time. Notwithstanding this delay, and although we have already published a sketch of the character and life of the deceased Mr. Greene, we have no doubt that this additional tribute to his memory will give pleasure to many of his friends in this country, and we therefore publish it.

PARIS, *December 15, 1850.*

The American community in Paris has lately experienced a loss in the lamented death of Mr. Greene, senior partner of the celebrated American banking-house at Paris, which has been most unequivocally testified in the sincere and universal expression of sorrow that has followed his regretted demise. In the commercial world he was justly and widely esteemed for his prompt and honorable dealings; always distinguished by rare prudence, unfailing sagacity, and sound judgment. But his great personal worth, though necessarily less known throughout the wide circle covered by his mercantile operations, was not the less appreciated by the numerous private friends that came within the reach and fascination of his kindly disposition and genial sympathies. For nearly forty years a resident of Havre, the whole of which long period he spent in active business, he became, of course, extensively acquainted with the commercial classes in all parts of his adopted country; and it would be strange indeed, if, after the many and flattering proofs of respect and affection he received, he had not contracted a deep and cordial regard for the land in which he had so long resided. Still, we may doubt if any American, whatever might be the strength of the ties or the extent of the interest that bound him to his native soil, ever cherished for his parent country a truer or more ardent affection, up to the latest moment of his career, than did the patriotic and estimable individual whose loss we are now called upon to deplore. It was not in mere expressions of admiration for the growing greatness of his native country, nor yet in cheap but ostentatious words, that the worthy banker pleaded his honest patriotism. No, it was in other and far more substantial forms. How many acts of private liberality, or how many generous services of real beneficence he performed towards the unfortunate and distressed, no one can fully undertake to record; for his charity was of that truly Scriptural origin which allowed not the left hand to know what the right hand gave. But we are justified in saying, that, in his long commercial career, the applications for relief from great numbers of his own countrymen, either overtaken by commercial disaster, or deprived of all resource by exhausted means, were necessarily frequent, and we have reason to believe that not a voice will be lifted to gainsay us, when we declare our conviction, that misfortune never appealed to him in vain.

Full of years, with a serene conscience, and a character untarnished by a single stain, he saw a slow and painful death approach, without

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dread, or even regret. He felt in that supreme hour, that he had faithfully fulfilled the various and responsible duties of a true husband, a kind father, and a devoted friend. He revised with searching scrutiny the checkered vicissitudes of his long life, and finding no unworthy act to regret, nor dishonorable deed to blush for, he pronounced his conscience satisfied, and with calmness and resignation bequeathed to his children a spotless name, to his country an unswerving patriotism, and to the class which he honored, at once an example and a model.

It would have been a subject of serious regret, if the distinguished banking-house, that the labors of Mr. Greene for such a long series of years had contributed to establish on so firm a basis, should have been suddenly dissolved by his death; and if all the fruits of his intelligence and high character had thus been scattered, lost. But fortunately it has turned out otherwise. The extensive business and well-earned reputation of his bank have fallen into hands as skilful and prudent as his own, since his heir and son-in-law, trained under his own eye, and practised in the same admirable system that had been so well inaugurated, has succeeded to the fortunes and responsibilities of his late regretted parent. It is a source of profound satisfaction to the friends of the bereaved family, as well as to the numerous correspondents of the house in all parts of the commercial world, to feel assured that the honorable reputation of the well-known firm of Greene & Co. will lose none of its solid credit for punctuality, promptitude, and liberality, under the sagacious direction of Mr. Van den Broek. And whilst we congratulate the financial circles of Paris upon escaping at this trying period the still additional diminution of their resources that the liquidation of so old and firmly consolidated a house would have necessarily occasioned, still more do we rejoice as an American, that the constantly increasing tide of our countrymen into Paris will not be drawn into new and strange channels for the transaction of their pecuniary affairs. We are glad that the well-known and elegant *locale* of the "Place St. George," which has been for such a number of years, both during the time of the late Mr. Welles and that of his successor, whose loss we now deplore,—we are glad, we say, that this convenient and attractive spot will still continue to be frequented by American travellers, and to remain consecrated, as it were, to American associations and traditions.

In the simple tribute we have borne to the memory of departed worth, we have given but an honest and spontaneous utterance to the affectionate sentiments of our heart; and who could question for a moment how eminently the virtues of the deceased were adapted to awaken similar emotions in all congenial minds, when beholding the large and sympathetic concourse that gathered around his bier? If any consolation could have penetrated at such a moment the aching hearts of the bereaved, it might have been found in the numerous and distinguished assemblage of countrymen and foreigners that had come forth from all sides to discharge the last sad act of homage.

In taking leave of our melancholy subject, we cannot better testify our surviving regard for the lamented banker, than by expressing an earnest wish for the prosperity of the house in whose fortunes he took so deep an interest.

## THE STOCK-BROKERS.

From the New Orleans Commercial Bulletin, May 20, 1851.

THESE constitute a class of business men *sui generis*. In this community they are little known, for here there is not "ample room and verge enough" for them to operate in; transactions in stocks constitute rather an inconsiderable, in fact an insignificant, item of the business "on change" in the Crescent City. There are many reasons why we are not a stock-dealing community; one will suffice,—we have no surplus capital to venture in such evanescent and fancy speculations. In New York, the stock-broker is in his proper element. The *Wall Street Journal*, which speaks oracularly, for, being "to the manner born," it speaks of what it knows, describes the stock-broker as a gentleman in manners and in dress,—one who has a pleasant word for every passing acquaintance, and, whether Jew or Gentile, is Christian-like in his deportment towards those in need of his assistance. Liberal in many cases to a fault, his name may be found heading the subscription list to build a theatre or a church, for the support of the Italian Opera in New York, or a religious Colporteur in the Far West, according as his taste may happen to be.

Stock-brokers are generally married men; in the winter or business season, they live up town, in the vicinity of the squares and avenues; they affect fashionable life and easy manners, which after a while sets upon them quite naturally,—they drink good wine, sport dashing equipages, and keep the best of company; in summer they have their rural retreats or villas, to which they resort after the fatigues and toils of the day. Upon the whole, a stock-broker's life is a very enviable one in such a city as New York, where a man's bank-book is a sealed book. If there be any class of men who live upon their wits, they are stock-brokers; they may have unlimited credits, they may be so fortunate as to get on the blind side, or rather the sharp side, of every paying teller in every bank in such a city as New York; and yet, without wit and shrewdness, they are hollow and good for nothing, merely sounding brass,—nothing above that standard will they ever reach.

The business of a broker, strictly understood, is the buying and selling for another; but New York stock-brokers have souls above such limited and contracted spheres; for many who belong to the stock board never execute an order, or make a purchase or sale of stock, except on their own account,—few if any of them do exclusively a commission business.

Those who constitute this class (we mean those who are interested in stocks on their own account) comprise two grand divisions,—the "bulls" and the "bears," or the "longs" and the "shorts." These are flash terms, but well understood. Our information of the attributes of these distinct species, we get from the authentic source we have before mentioned. The "bulls" are those who purchase stocks for a rise; these they sometimes pay for themselves, if they have the money to



spare, or "spout" them with some capitalist or bank, — that is, pledge them for a loan of money; or they purchase them at the board, "buyer" 10, 30, or "buyer 60 days"; in the latter case, they have the option to take them any time during the continuance of the contract at the purchase price.

The "bull" sees every thing "*couleur de rose*"; the horizon is always bright and cheering; if a passing cloud intervenes, sunshine is sure to follow; — he keeps a stout heart, and is never dismayed, and it is his business to infuse the same spirit in others, which he hopes to do, saving and excepting the "bears."

Of the "bear," we are told that his business is selling stocks "short"; that is, he contracts to deliver, at his option, in 10, 30, or 60 days, stock of which he is not possessed, with the hope or expectation that he will be able to buy it at a lower price to fulfil his contract. He believes in a fall in the market price of stocks. He views every thing in a different light from the "bull," — looks on the dark side; even his countenance wears a sombre hue, — he seldom laughs; and as he slowly walks about Wall Street, preaching impending ruin to railroads, banks, and merchants, often looks as if suffering from the effects of a severe dose of medicine. He is of the opinion that the crops of the country, this year, will be short, — that the importations of goods from Europe are so large that our banks may have to suspend specie payments; and asserts with great positiveness that California is a humbug, and that the receipts of gold from that quarter are nearly at an end.

There is nothing strange in this classification, and in the characteristics which distinguish these two distinct and opposite species of traders. Cotton-buyers, whether classed as commission merchants, factors, or brokers, are governed by the same immutable laws which influence buyers and sellers of any and every commodity; however prudent and discreet and sincere may be the produce-seller, he is a *short crop* man, and from the same idiosyncrasy or constitutional infirmity, the buyer is invariably a *long crop* man.

Stock-brokers, as a class, are neither more nor less addicted to, or exempt from, the infirmities which govern all who trade and barter with their fellow-men. Their business, as we have before remarked, is rather a precarious one, for the fluctuations in the market value of stocks will, in a single day, either make or break scores of them. It has been known that a speculative house, with little or no real capital, has had on hand stocks amounting to \$250,000 per day. The profits of commission brokers are, however, as uniform as any other business. The regular rate of commission, as established by the board, is one quarter of one per cent. on the par value of stock, but one eighth only is the rate charged by one broker to another. The business of stock-brokers has become systematized; in large cities conventional rules have been established for their guidance and conduct, and they comprise some of the most influential and respected of our citizens.

NOTE — Those who take much interest in the Stock Exchange, its rules, regulations, movements, &c., will find a graphic sketch of it in our third volume, pp. 349-360, from the pen of Mr. Grant, author of "The Great Metropolis," and a later sketch, from the *London Bankers' Magazine*, in our fourth volume, pp. 437-445. — Ed. B. M.

## GILBART'S TREATISE ON BANKING.

From the Newark Daily Advertiser.

**A PRACTICAL TREATISE ON BANKING.** By JAMES WILLIAM GILBART, F. R. S., General Manager of the London and Westminster Bank. New York: George P. Putnam. 8vo. pp. 458.

THIS work is written in a neat and very perspicuous style, totally free from terms of science. His course of remark shows the author to have been a judicious practical banker, possessing that best sort of shrewdness, which is founded on an honorable, just, and temperate disposition. The first seven sections comprise a large amount of information, familiar, it is true, to men connected with banking business, yet useful even to them for its mingled, generous, and sagacious spirit, and instructive to all others.

When Mr. Gilbart arrives at the eighth section, and enters on a discussion of Sir Robert Peel's celebrated Bank Act of 1844, he embarks upon the illimitable, dark sea of gold and silver bullion and paper currency, in which so many writers, and, what is worse, such numerous operators, have been engulfed. But though an opponent of its policy and provisions, he keeps his temper, sails skilfully through its whirlpools and along its rocks and quicksands, and at last reaches the end of the voyage; but only to embark anew upon a navigation not less difficult,—the administration of the banking department of the Bank of England, and of the joint-stock banks, and an inquiry into the causes of their failures. With the practical details of the administration of banks, which all business men would be benefited by consulting, Mr. Gilbart concludes the first section of his work.

The second section is composed of an account of the various banking institutions of England, Scotland, and Ireland, with the mode of transacting business in them; to which is annexed an appendix containing a page or two about the Bank of France, and a mere mention of the law of banking in New York. We cannot dwell on this part of the work; but there is one chapter, the eighth, which deserves to have attention attracted to it for its singularity in a work of this description. It is entitled, "The Moral and Religious Duties of Banking Companies." And let those narrow-minded men, who know little of banking, and less, if possible, of the immense transactions that take place in Wall Street, in New York, in the course of every day, be hereby informed, that this chapter is not a short one, but occupies the liberal allowance of thirty-seven pages in a volume of four hundred and seventy.

After a clear decision, that public companies are as much moral agents as individuals are, he investigates and points out those moral and religious obligations which such bodies are bound to perform; and the rewards or punishments which may be expected to follow the performance or non-performance of them. In pursuing these inquiries, the author quotes liberally from the Bible. This may be called the ethical division of his treatise, as the early chapters contained the legal. Who

will say that an argument is not necessary to prove that companies have or ought to have consciences, as well as individuals, when it is notorious that they will allow themselves to be guilty without scruple of many practices, for which, in their personal capacity, they would blush with shame?

"Banking companies," he says, "should not take the accounts of disreputable parties. A fraudulent bankrupt should not be allowed to re-open his accounts, even should he plead that, though he had cheated all his other creditors, he had not cheated his banker."

"A public company should not meddle with politics, nor let their influence be employed to produce any political change." [A hit at the Camden and Amboy.]

"They should employ none but honorable men to plead any cause in which they may be engaged. Advocates noted for legal quibbling, attacking private character, or browbeating witnesses, should not be engaged; and their *standing counsel* should be a man of high moral and religious principle."

"It is peculiarly the duty and the interest of the rich to educate the poor."

Being moral agents, public companies, like individuals, are amenable to punishment for transgression; but differ from them in this respect; the penalty is exacted in this world, and consists in the loss of what it is their great purpose to obtain,—wealth. They are punished by a failure of success. Mr. Gilbart thinks, and supports his opinions by an abundance of Scriptural quotations, that the enjoyment of wealth is not necessarily sinful. On the contrary, in the Scriptures, riches and honor are everywhere represented as the rewards of piety and virtue.

"It may be observed in general, that a righteous retaliation appears to be the prevailing principle of the Divine government."

Such are some of the sentiments, which are not scattered merely through the book, but form its staple. The highest principles of our nature, and a conscientious sense of absolute duty, pervade it, and are applied to business, whether transacted by individuals or companies; for these are not divested of responsibility, because composed of many persons, who are to share it.

The work is comprehensive, including the law, and, it may be said with perfect seriousness, the gospel also of banking. Its ethical chapter is, indeed, much broader than this, including every kind of business in its scope. In this respect the volume is a novelty, and an honor to the author; and it cannot but help to improve, what every body must admit is loudly called for, the morals of business. The writer is in earnest, and must therefore make an impression on his reader. There is sufficient in its pages to make a successful banker, and, more than all, a good man. Let any company preserve the line of conduct therein recommended, and wealth, as well as reputation, will be absolutely certain. Embraced in this single treatise there is a good law-book,—a thorough, historical, and didactic account of banks and banking,—an essay on the money branch of political economy, with two excellent sermons, composing the chapter we have quoted from, at the close. We urge the work upon the

studious perusal of the whole community, but especially of the dealers in money, which we take to be "that insane root" of evil spoken of by our great dramatic poet.

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From the *National Intelligencer*.

**GILBART ON BANKING.**—This is an able and complete treatise on banking, exhibiting the nature and utility of banking, bank book-keeping, calculations, and all the forms of bank documents, and showing the methods of business in the banks of England, Ireland, and Scotland, public and private. It cannot fail to be instructive to all concerned in the banking operations of our country. As England is the monetary centre of the world, it is desirable to all our bankers to know the machinery of the banks of Great Britain. The last chapter is not the least in importance and interest. It is entitled "The Moral and Religious Duties of Banking Companies." "Property has its duties as well as its rights," said the late Mr. Drummond; a principle expressly recognized and enforced in the Queen's speech, delivered on the 9th of August, 1845. And it will be found true, that the permanent prosperity of companies, as well as of individuals, can only be secured by acting upon the eternal principles of justice, mercy, and truth. That these have not been the principles of action no one can doubt who has ever heard the proverb, "Corporations have no souls." Proverbs never come into being without a firm basis in fact. Directors at a council-board dare do what they would not do as individuals, and a common responsibility comes home to no one. If this chapter be well studied, and its teachings adopted by all the bank directors and bankers of our land, banks would come to be regarded as the fountains of blessings, in the communities in whose property they prosper, and whom they aid and uphold while they are themselves enriched.

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**IMPORTUNITY.**—A banker will often be subjected to importunity by persons who will desire a deviation from the usual modes of banking. They will propose a relaxation of good rules, and allege therefor some pressing emergency; but if the relaxation involves any insecurity, any violation of law or of official duty, the banker should never submit, even when the result may promise unusual lucrativeness to his bank. While a banker adheres with regularity to known forms of business and settled principles, Providence is a guarantee for his success; but when he deviates from these, Providence is almost equally a guarantee of disaster both personal and official. — *A. B. Johnson*.

**OUR APPROPRIATE SPHERE.**—When we perform well the direct duties of our station, we need not curiously trouble ourselves to effect, indirectly, some remote duty. Results belong to Providence, and by the natural catenation of events, (a system admirably adapted to our restricted foresight,) a man can usually in no way so efficiently promote the general welfare, as by vigilantly guarding the peculiar interest committed to his care. — *Ibid*.

## A PRACTICAL TREATISE ON BANKING.

BY J. W. GILBART, Esq.,

GENERAL MANAGER OF THE LONDON AND WESTMINSTER BANK.

Continued from page 985, June No.

## SECTION II. THE LONDON PRIVATE BANKERS.

## SECTION III. THE JOINT-STOCK BANKS IN LONDON.

The third section of this portion of the work will be found particularly interesting to our American readers, as developing the principles and plan of the London and Westminster Bank (under the control of the writer of the *Treatise on Banking*), the London Joint-Stock Bank, the Union Bank of London, the Commercial Bank of London, the London and County Joint-Stock Bank, and the Clearing-House, — with an elaborate view of the Country Private Banks, and of the laws of the currency with reference to them.

A KIND of clearing takes place between the Bank of England and some of the London bankers.

Most of the London bankers keep a drawing account with the Bank of England. And when checks or bills are presented to a banker for payment by the bank, he pays them by a check, which is passed to the debit of his account. It is also said that some bankers have an agreement with the bank that no check shall be posted to their debit until after three o'clock in the afternoon. Hence, if the bankers draw large checks in the morning, they can provide for them in the course of the day. This so far resembles a clearing, that no notes pass in settling the daily transactions. But it is merely an arrangement between the Bank of England and each banker individually, and has no reference to any settlement of accounts among the bankers themselves. The following is the evidence on this subject given before the Committee of the House of Commons, by the Governor of the Bank of England, in reply to questions put by Mr. Glyn, a London banker: —

"*Mr. Glyn.* — Do not the private banks clear with the Bank of England, by the use of checks upon the Bank of England? — They have the option of doing so.

"That is a substitute for the notes which would be used, and that so far economizes the bank-notes? — Yes.

"Does not that observation also apply to joint-stock banks? do not they clear, through the medium of checks, upon the Bank of England? — Yes; but as far as regards clearing, it is a question between the joint-stock banks and the private bankers.

"But so far as regards the private banks and the Bank of England, the economy of bank-notes between them is carried to the greatest possible extent, inasmuch as the private banks use checks upon the Bank of England? — Yes." (*Commons*, 3266-3270).

The banks of Newcastle-upon-Tyne adopted a somewhat similar, but a more extensive plan of clearing, through the means of the branch of the Bank of England. The plan was thus described in a letter addressed to me about two years ago, in reply to my inquiries on the subject: —

"The banks here do not clear. They used to do so, and for that purpose had a room at Messrs. Ridley's bank; but, from some objection raised by Messrs. Lambtons, the system was discontinued.

"They have, however, adopted a plan of exchanges, which, from the facilities granted by the branch bank, answers nearly the same purpose as a clearing, without the expense. I must inform you that they all have drawing accounts with the branch bank, and the plan now adopted is as follows, namely:—

"At two o'clock every day, each bank pays in, to its credit with the branch bank, all bills and cheques on other banks received up to that hour. The amounts so paid in are passed to credit in totals, and the bills and cheques are then sorted into charges upon the respective banks, and presented at their counters by the Bank of England, who receive in payment a cheque upon themselves. So that, in fact, each bank is credited in total with what it pays in, and debited with the cheque given for what it has to pay; thus obviating the necessity of any bank-notes passing.

"This of course gives the branch bank some trouble, and they therefore strictly confine the facility to those banks issuing Bank of England paper; and as the Union Bank issues its own paper, it is consequently excluded, and is obliged to exchange separately with the other bankers."

Several of the bankers at the West-end of London keep an account with a City bank. They do not, however, in all cases pass the whole of their transactions through the Clearing-house. They pay and receive with the clearing bankers individually, and sometimes leave their unpaid bills with their city agent. They occasionally pay into the City bank the cheques they may have on the clearing bankers, and on the other bankers too.

The stock-brokers usually write across every cheque they draw, the name of the banker of the party in whose favor it is drawn; and if they do not know the name of the banker, they write "—— & Co." The banker on whom it is drawn will then pay it only in the clearing. If a broker intends a cheque to be paid in bank notes across the counter, he writes on it the word "cash"; such cheques are given only to persons who do not keep bankers.

Many persons now cross the cheques they draw with the name of a banker, to guard against fraud in case the cheques should be lost or stolen. The cheque can then only be paid to the banker whose name is on the cheque. If it be crossed with the names of two bankers it will be refused payment to either, unless the matter be satisfactorily explained.

Clearing bankers never make payments to each other, except through the clearing.

The effects of the clearing-house are thus described by Mr. M'Culloch, in his *Commercial Dictionary*:—

"By far the largest proportion both of the inland bills in circulation in the country, and also of the foreign bills drawn upon Great Britain, are made payable in London, the grand focus to which all the pecuniary transactions of the empire are ultimately brought to be adjusted. And in order still further to economise the use of money, the principal bankers of the metropolis are in the habit of sending a clerk each day to the Clearing-house in Lombard Street, who carries with him the various bills in the pos-

session of his house, that are drawn upon other bankers; and, having exchanged them for the bills in the possession of those others that are drawn upon his constituents, the balance on the one side or the other is paid in cash or Bank of England notes. By this contrivance the bankers of London are enabled to settle transactions to the extent of several millions a day, by the employment of not more, at an average, than £200,000 to £300,000 of cash or bank-notes.

"In consequence of these and other facilities afforded by the intervention of bankers for the settlement of pecuniary transactions the money required to conduct the business of an extensive country is reduced to a trifle only, compared with what it would otherwise be. It is not, indeed, possible to form any very accurate estimate of the total saving that is thus effected; but, supposing that fifty or sixty millions of gold and silver and bank-notes are at present required, notwithstanding all the devices that have been resorted to for economizing money for the circulation of Great Britain, it may, one should think, be fairly concluded, that two hundred millions would, at the very least, have been required to transact an equal amount of business, but for those devices. If this statement be nearly accurate, and there are good grounds for thinking that it is rather under than over-rated, it strikingly exhibits the vast importance of banking in a public point of view. By its means fifty or sixty millions are rendered capable of performing the same functions, and in an infinitely more commodious manner, that would otherwise have required four times that sum; and, supposing that twenty or thirty millions are employed by the bankers as a capital in their establishments, no less than 120 or 130 millions will be altogether disengaged, or cease to be employed as an instrument of circulation, and made available for employment in agriculture, manufactures, and commerce."

### SECTION III.—THE JOINT-STOCK BANKS IN LONDON.

LONDON is the head-quarters of several joint-stock banks, who conduct their business operations in the provinces, in Ireland, or in the colonies. But we purpose here to notice only those joint-stock banks who carry on business as London bankers. These are five:—The London and Westminster Bank; the London Joint-Stock Bank; the Union Bank of London; the Commercial Bank of London; the London and County Banking Company.

#### I.—*The London and Westminster Bank.*

I. *Its History.*—In the Act for renewing the Bank of England Charter, passed in 1833, it was declared to be the law, that companies or partnerships consisting of more than six persons might carry on the business of banking in London. Immediately after the passing of this Act, a prospectus was issued, proposing to form the London and Westminster Bank. The shares, however, were taken up but tardily, and the bank did not commence business until March 10th, 1834, and then only with a paid-up capital of £50,000, and of this capital a large portion is said to have been subscribed by shareholders who resided in the country.

As the Bank Charter Act did not prescribe the way in which companies of more than six persons were to sue or be sued, the directors of the London and Westminster Bank brought a bill into Parliament, in the session of 1834, to authorize them to sue and be sued in the names of their public officers, in the same manner as those banking companies that were locat-

ed beyond sixty-five miles from London. This bill was carried by large majorities through the House of Commons, although opposed by the influence of the Bank of England, and by Lord Althorp, then Chancellor of the Exchequer. The bill, however, was lost in the Lords. In consequence of this failure, the bank followed the plan of suing and being sued through the medium of trustees.

Previous to the commencement of business, the directors applied to the Committee of Private Bankers for admission to the Clearing-house. This was refused. The directors also applied for permission to have a drawing account at the Bank of England. This, too, was refused.

Notwithstanding these difficulties, the bank continued to advance, and, by the date of the First Annual Report, March 4th, 1835, the paid-up capital, increased by two calls of £ 5 each upon the shareholders, amounted to £ 244,945.

At the commencement of the year 1835, the Bank of England instituted legal proceedings to prevent the London and Westminster Bank accepting bills drawn at less than six months after date. Supported, however, by the legal opinions of Sir John Campbell, Sir William Follett, and Mr. Pemberton, the trustees continued to accept such bills, and resisted the proceedings of the Bank of England.

By the end of December, 1835, the number of shares issued had increased to 17,818. Soon afterwards the directors made a fourth call of £ 5 per share, payable the following April. This made £ 20 paid upon each share, and the whole paid-up capital exceeded £ 400,000. The dividend on the year ending December, 1835, was at the rate of 4 per cent.

At the commencement of the year 1836, the bank extended its branches. In addition to the branch at Waterloo-place, Pall Mall, opened on the same day as the head office in Throgmorton Street, the bank opened, on the 4th of January, a branch at 213 High Holborn, and another at 87, Whitechapel; and on the 29th of February, another was opened in Wellington Street, Southwark. In the following June a branch was opened at 155 Oxford Street. In this year the bank obtained a large accession of country business, in consequence chiefly of the formation of a great number of new joint-stock banks throughout the country. In this year, too, the directors issued 9,333 shares at a premium of £ 4 10s. per share, by which the sum of £ 41,998 10s. was realized as premiums. The total paid-up capital on December 31st, 1836, amounted to £ 597,225, on which a dividend was paid at the rate of 5 per cent.

In the beginning of the year 1837, the suit brought by the Bank of England was terminated, by the Master of the Rolls granting an injunction to restrain the London and Westminster Bank from accepting bills at less than six months after date. The country joint-stock banks then adopted the practice of drawing upon the London and Westminster Bank "without acceptance," in the same way as the Bank of Ireland draws upon the Bank of England. No practical difficulty was experienced, and the London and Westminster Bank lost none of its connections in consequence of this adverse decision. At the end of the year the directors declared the usual dividend of 5 per cent.



On the 26th of December, 1838, the bank removed its business from No. 38 Throgmorton Street, to their new building in Lothbury. In the report delivered in March, 1839, the directors refer in the following terms to the then condition of the bank : —

“The pleasure which the directors feel in making their Fifth Annual Report is augmented by the circumstance of its being delivered to the proprietors in their own building, an event that seems to justify a glance at the past history of the bank.

“When the directors consider, that during the five years of the existence of this establishment, they have had to contend against the fears and prejudices of the public mind, the uncertainties and the intricacies of the law, and the opposing influence of existing interests; and that this conflict has been carried on in seasons of great commercial embarrassment, and under circumstances of peculiar difficulty; and that, amid all these disadvantages, they have nevertheless acquired a paid-up capital of nearly six hundred thousand pounds, between eight and nine hundred respectable proprietors, a large and increasing business in London, and a country connection that embraces one hundred and fifty banks and branches, they do feel that the result of the first experiment of establishing a joint-stock bank in London has been highly satisfactory, and that the confidence they expressed in their First Annual Report has been abundantly confirmed.”

The same report makes the following allusion to the other joint-stock banks established in London : —

“It may be expected that some notice should be taken in this report of the extension of the system of joint-stock banking in London. This will not, in the opinion of the directors, militate against our interests, as those principles, which we were the first to advocate, will be thus more widely disseminated. Hence all banking companies that may be respectably and honorably conducted will be regarded by this bank, not as rivals, but as allies. At the same time, the shareholders should bear in mind, that as joint-stock banks multiply in London, each bank will have to depend mainly upon the support of its own proprietary. And the London and Westminster Bank having been first in the field, ought not to suffer itself to be passed in the course by later and more youthful competitors. But if the exertions of our shareholders be at all proportionate to their numbers, their wealth, and their respectability, the London and Westminster Bank will not only have the honor of being the first joint-stock bank in London in the order of time, but in other respects also will be enabled to maintain the preëminence.”

In March, 1840, the dividend was raised to 6 per cent. upon the profits of the preceding year; and this rate has since been constantly maintained. In 1841 the directors issued ten thousand of the unappropriated shares at par to the existing shareholders, in the proportion of one new share to the holder of three shares. This raised the number of shares issued to 40,000, and the paid-up capital to £800,000. In February, 1842, the bank opened a drawing account with the Bank of England.

In the report delivered March, 1841, the directors observe, — “During the past year the banking institutions of the country have occupied a large portion of public attention. The directors trust that the events and dis-

cussions that have taken place will have the effect of diffusing a correct knowledge of the principles of joint-stock banking, and that institutions like the London and Westminster Bank will be allowed to exercise the same legal rights and privileges which are accorded to other banking establishments." In the same year, Mr. Gilbert, the general manager, was examined for four days before a Select Committee of the House of Commons, at the request of a meeting of deputies from the joint-stock banks. In the report of March, 1844, we read,—"As the speech from the throne has called the attention of Parliament to 'the state of the law with regard to the privileges of the Bank of England and to other banking establishments,' the directors have coöperated with the representatives of other joint-stock banks in bringing under the consideration of the Government the defects of the laws relating to banking companies, which they feel sure the Legislature will not refuse to remedy." In this year the bank obtained the power to draw, accept, or indorse any bills of exchange not payable to bearer on demand; and immediately commenced accepting the bills drawn by its country connections, and issuing circular letters of credit for the use of travellers and residents on the continent. In the same year the bank obtained the power of suing and being sued in the names of its public officers, and accordingly registered the names of its trustees for that purpose.

In addition to the usual dividend of 6 per cent., the directors gave in March, 1847, a bonus of 2 per cent out of the profits of the preceding year. At the same time they announced the distribution of the remaining ten thousand unappropriated shares at par among the existing shareholders, in the proportion of one new share to every four shares previously held. This raised the paid-up capital of the bank to *one million sterling*.

On the 31st of December, 1847, Messrs. Young & Sons (formerly Messrs. Weston & Young), of Southwark, retired from business, and the customers of the bank, according to the wishes of Mr. Young, transferred their accounts to the Southwark Branch of the London and Westminster Bank.

At a general meeting held on the 1st of March, 1848, the report announced that, with the exception of outstanding instalments amounting to £ 3,273, the paid-up capital of the bank was one million sterling. A dividend at the usual rate of 6 per cent. was declared, and £ 4,223 4s. 10d. was added to the surplus fund.

The chairman stated that, in the week preceding the letter of the Government suspending the act of 1844, the bank had sold Government securities to a large amount, which could not afterwards be replaced but at an advanced price. The loss thus occasioned amounted to nearly £ 20,000. The following is the paragraph in the report referring to this subject :—

"From the severe pressure on the money market during the latter part of the year, it was deemed advisable to realize some portion of our Government securities; and although the profits of the year have, consequently, been curtailed, yet the directors feel assured that the liberality which they were thus enabled to exercise towards its customers will tend

to the advantage of the bank. The whole of the stock that was sold has since been replaced."

At this meeting the proprietors recommended to the directors that the general meetings should be held half-yearly, and that the first meeting should be held earlier in the year. The directors accordingly called a special meeting on the 19th of July, for the purpose of receiving a half-yearly report, and for making such alterations in the deed of settlement as would enable the proprietors to meet on the third Wednesday in January, instead of the first Wednesday in March. The result of this resolution is, that the annual general meeting of the bank will in future be held, under the deed, on the third Wednesday in January, and a half-yearly meeting may be called specially by the directors either on the third Wednesday in July, or on any other day, whenever it shall be deemed necessary or expedient.

From this half-yearly report it appeared, that, from losses in the previous year, it had become necessary to take £5,161 3s. 1d. from the surplus fund to make up the half-yearly dividend. But in the second half-year the profits exceeded the dividend by £7,237 3s. 2d., making on the whole of the year 1848 an addition to the surplus fund of £2,076 0s. 1d., after paying the dividend of 6 per cent. on the increased paid-up capital of £1,000,000.

**II. Its Principles.** — At the time the London and Westminster Bank was announced, it was contended by the advocates of the previous system that the principles of joint-stock banking were wholly inapplicable to the wants and habits of the population of London. Had the founders of this bank possessed zeal without discretion, they would probably have disregarded the peculiarities of the field of their operations, and have adopted entirely the system of banking so long acted upon in Scotland. They seem, however, to have combined the enlightened views of statesmen with the caution and practical knowledge of men of business. Hence, they followed or discarded the principles of Scotch banking according as they found them adapted, or otherwise, to the local circumstances of the London population. They seemed not so anxious to introduce a new system of banking, as to guard against the imperfections of the one previously in existence. From the original prospectus and other documents issued by the company, we learn that the following principles were those ultimately adopted.

1. That the bank should consist of an unlimited number of partners. This is essential to its character as a joint-stock bank. It was ascertained that within the previous twenty years about twenty private banking houses had stopped payment in London; that by most of these failures the public had sustained considerable losses, and that great difficulties and embarrassments had been occasioned by the interruption to business and the want of confidence which these failures had occasioned. A bank composed of several hundred partners, all of whose property would be answerable for its obligations to the public, seemed the most effectual way of preventing the recurrence of these evils. To show the strength of the company and the extent of the confidence to which they are entitled, a list of the shareholders is published with the annual report of the directors.

Since the Act of 1844, these names have also been published at the commencement of each year in a Supplement to the *Royal Gazette*. The following is an analysis of those published in the year 1847:—  
 Spinsters, 140; married women, 16; widows, 66; clergymen, 34; medical men, 13; naval and military officers, 45; solicitors, barristers, and writers to the signet, 9; men of title, 12; gentlemen and others, 731: making a total of 1,066. These are resident as follows:—

In London, and within fifteen miles thereof, . . . . .	675	In Ireland, . . . . .	11
In other parts of England, . . . . .	320	In other countries, . . . . .	18
In Scotland, . . . . .	42	Total, . . . . .	1,066

2. A second principle adopted was, that the bank should have a large paid-up capital.

It was observed that the London bankers did not carry on business with their own capital, but merely upon their credit: they were supposed to be men of property, and, in some cases, this supposition constituted the whole of their working capital. Hence, in some instances, London bankers had stopped payment who were perfectly solvent; but their property was not engaged in their business, and could not suddenly be realized to pay their debts. To obviate these inconveniences, to be prepared at all times for a withdrawal of its deposits, to be able to give adequate accommodation to its customers, and to support public confidence in seasons of extreme pressure, a large paid-up capital was deemed requisite. No idea seems to have been entertained of remaining satisfied with a small capital in order to pay larger dividends. The directors do not appear to have regarded themselves as mere agents, employed to obtain the most rapid return for a sum of money; but they acted as the founders of an establishment destined to take a high rank among the national institutions of the country. The capital of the bank was fixed at £ 5,000,000 sterling, divided into 50,000 shares of £ 100 each. All these shares are in the hands of the partners, and the paid-up capital of the bank is thus £ 1,000,000, with a power in the directors of calling up an additional sum of £ 4,000,000 sterling.

3. It was observed that the London private banks were adapted only for the rich. An indispensable condition of having an account was that a certain sum should be kept unproductive in the banker's hands. Thus the middle class of society, who had the means of employing the whole of their capital in their respective occupations, were altogether excluded from the advantages of banking. To remedy this defect, the London and Westminster Bank determined to open accounts with persons who had not the means of keeping large balances unemployed, but who were willing to pay the bank a small commission for conducting their accounts. The principle of commission is not practised in Scotland with regard to current accounts, as the banks look for payment chiefly by the issue of their notes. In this country the principle is adopted in the provinces, and even by the London bankers in regard to their country accounts. The application of this principle to London accounts was an improvement introduced by the London and Westminster Bank, and it brought the ad-

vantages and conveniences of banking within the grasp of a large class of the community to whom they were previously denied. The expense of keeping a banking account was also reduced by the prohibition of presents or Christmas boxes to the clerks. Although the system of Christmas boxes is sanctioned by the Bank of England as well as by the private bankers, it is, we consider, a practice more honored in the breach than in the observance. Whether these presents are regarded as taxes upon the customers, or as charitable donations to the clerks, they were deemed to be equally objectionable.

4. A further attempt was made to popularize the system of banking in London, by allowing interest upon small sums of money lodged on deposit receipts. All the witnesses examined before the Parliamentary Committees of 1826 had borne testimony as to the beneficial effects of this system in Scotland. And although the London and Westminster Bank, not being a bank of issue, could not regard these small deposits as an instrument of increasing its circulation of notes, yet it was thought that the system might be rendered a source of profit to the bank, and certainly an advantage to the community. The savings banks could receive no more than £ 30 from a depositor in each year, and only £ 150 in the whole. Those parties who had further sums they wished to deposit in a place of security upon the principle of receiving interest on the sums thus lodged, were provided with such a place in the London and Westminster Bank. Sums from £ 10 to £ 1,000 are received on deposit, and interest allowed at a known rate, and they are at all times repayable upon demand without notice.

The London and Westminster Bank have not adopted the system of cash credits as practised in Scotland. These credits are valued by the Scotch banks chiefly as an instrument for the issue of their notes; and it may be questioned whether the system can be rendered a source of profit to a non-issuing bank without imposing heavy charges in the form of interest and commission upon the customers.

5. While, however, the founders of the bank were thus regardful of the industrious classes of the community, they were not inattentive to the interests of the wealthy. Professional men, merchants, and gentlemen of fortune have often large sums of money in their hands for a short time, waiting favorable seasons of investment. For these sums the private bankers would allow no interest. The London and Westminster Bank determined to take temporary or permanent lodgments of sums of £ 1,000 and upwards, upon special agreement as to the rate of interest and time of repayment. The rate of interest is usually governed by the state of the money market, and the principal is repaid at a fixed time, or at a few days' notice, as may be agreed upon. Parties may lodge money upon an interest account who have no current account, and those who have current accounts may transfer any portion of their balance to an interest account; but the bank allows no interest on the balance of a current account. It is considered that a large portion of the fluctuating balance of a current account must be kept in the till to meet the daily cheques drawn by the customers; that the remainder must be invested in the most available, and therefore the least productive securities; and that considerable

expense is incurred by books, cheques, salaries, &c., in conducting these accounts; and hence that the bank could not afford to grant any rate of interest which it would be worth while for the customers to receive. A person, therefore, may have two accounts, — a current account, and a deposit account. Upon one he receives interest, upon the other he receives none. The London and Westminster Bank think it better to keep these two accounts distinct, than to adopt any system of amalgamation.

6. Another principle of the bank — not announced in the prospectus, but adverted to in some of the Annual Reports — is that of keeping a large portion of its funds at all times in a convertible state. In the Report of March, 1839, the directors state, "Although a low rate of interest prevailed during the last year, the directors did not allow the desire of making large profits to tempt them into advances upon inferior securities, or to lock up their funds in inconvertible investments; they feel assured, that any departure from sound principles in banking, even when attended with *immediate* profit, must always *result* in loss to the proprietors, and danger to the establishment." Again, in the Report delivered in March, 1844, we read, "Throughout the whole of last year money was exceedingly abundant, and, consequently, cheap. But although a low value of money affects most severely those banks that have the largest paid-up capital, and which have been so managed as to retain the full command of their funds, yet the directors did not suffer the desire of obtaining a higher rate of interest to betray them into advances upon doubtful or inconvertible securities." In conformity with this principle, we find, from the account of assets and liabilities attached to the Annual Reports of the directors, that the amount invested in Government securities is considerably more than the whole capital of the bank. The propriety of such a course must have been abundantly evident during the existence of the bank, for it would be impossible to find so many "pressures" on the market, or so much fluctuation in the value of money, within any similar period in the history of banking. It may be presumed that the directors spoke from their own experience, when they stated in their Report of March, 1840, "The years 1837 and 1838 were remarkable for the abundance and cheapness of money, and the year 1839 for scarcity and pressure. Neither of these extremes is favorable to large banking profits: a state in which money is easy without being abundant, and valuable without being scarce, is most conducive to the welfare of both the banking and the commercial interests of the country."

7. The last principle we shall mention as adopted by the London and Westminster Bank is the system of branches.

This system, to the extent to which it is now carried, does not seem to have been contemplated by the original founders of the bank. The first prospectus announced merely that a bank would be established in the City, with a branch at the West-end of the town. But a power to establish other branches was inserted in the deed of settlement, and it was soon observed, that, from the increasing extent and business of London, there were districts which were inadequately supplied with banking accommodation. In these districts the inhabitants were compelled either to forego all banking facilities, or to submit to the inconvenience of keeping their

account with a bank at a distance from their habitation. It was to meet the public wants, more, perhaps, than with any sanguine expectation of reaping any large amount of immediate profit, that the directors extended their branches. Peradventure, too, it was feared that unless the London and Westminster Bank occupied these districts, the inhabitants might be induced to form among themselves small joint-stock banks with inadequate capital, and thus have impaired the respectability of the system. In one instance this in fact actually occurred. The mode of conducting business is the same at the branches as at the City-office. A customer's cheque can be paid only at the branch on which it is drawn, but he may have money placed to his credit with that branch at any of the other establishments. Those country notes that are made payable at the London and Westminster Bank, are, as matter of courtesy, paid at any of the branches. Each branch makes both daily and weekly returns of its transactions, which are laid before the directors; and the affairs of all the branches are subjected to the personal inspection of the general manager: at the same time all the arrangements tend to localize the branches, so as to give them as much as possible the character of independent banks. The managers are selected for their experience in banking, and they give immediate replies to the inquiries of both their customers and the public. They are ready to afford every facility to the parochial and other authorities, in conducting the financial arrangements of the districts. They allow the same rate of interest on deposits which is allowed at the City-office: and in making advances or discounts, they are not restricted to the amount which their own funds can supply. Thus each district has, in a branch bank, all the advantages that could be derived from an independent local bank, combined with the additional security and accommodation to be obtained from a more extended and wealthy establishment.

Most of the branches have, since their establishment, transferred their business to other premises.

The Westminster Branch was opened on the 10th of March, 1834, at No. 9, Waterloo-place, Pall Mall, and was removed to its present premises, No. 1, St. James's-square, on the 30th of December, 1844.

The Bloomsbury Branch was opened on the 4th of January, 1836, at No. 213, High Holborn; and the adjoining house, No. 214, was added for transacting business with the public on the 1st of October, 1838.

The Southwark Branch was opened on the 29th of February, 1836, at No. 12, Wellington-street, in the Borough, and was removed to No. 3, in the same street, on the 26th of December, 1839.

The St. Marylebone Branch was opened on the 15th of June, 1836, at No. 155, Oxford-street, and was removed to No. 4, Stratford-place, Oxford-street, on the 23d of April, 1844.

Though the system of branches appears to be an extension of the original views of the Directors, yet the principles on which the business is conducted have undergone no change. It is a proof of the consideration and practical knowledge brought to bear upon the subject, in the first instance, that no alteration or improvement has since been found necessary. The success of the company has been attributed more to the general approbation with which these views have been received than to any extended

system of private solicitation. This, if correct, must be the more gratifying to the directors, as the prosperity of the bank is thus a public homage to the soundness of its principles.

III. *Its Government.* — The government of the bank is in a board of directors, consisting of not fewer than twelve members. Three go out annually by rotation, but are eligible for reëlection. The present number is fifteen, but it can be increased at any time by a vote of the general meeting of proprietors. There is no governor, or deputy-governor, or permanent chairman. Five of the directors are trustees, and are also registered as the public officers of the company, in whose names, or any one of them, the bank may sue and be sued. The payment of the directors is fixed by the shareholders at their general meetings. This sum was voted annually until the year 1839. Up to that year inclusive the annual profits are stated in the reports before the payment to the directors is deducted. In subsequent years these payments are deducted first, and the profits are announced "after defraying the whole expense of management, including payment to directors."

By the resolutions of the general meetings appended to the Annual Reports, it appears that the first payment to the directors was a sum of £2,500, voted at the general meeting in March, 1836, for the services rendered in the two preceding years. In subsequent years, the payment was £2,500 annually, until March, 1847, when the sum of £4,500 was voted for the year 1846, and the same amount was to be continued in each future year.\*

*A Table, showing the amount of Paid-up Capital, Annual Profits, Dividends, and Surplus Fund, of the LONDON AND WESTMINSTER BANK, on the 31st of December in each Year, from the Opening of the Bank.*

Date.	Paid-up Capital.	Profits of the Year †			Dividends.			Surplus Fund.		
	£	£	s.	d.	£	s.	d.	£	s.	d.
1834	182,355	3,540	6	6	2,334	18	1	1,205	8	5
1835	267,270	11,520	10	0	10,818	12	0	1,907	6	5
1836	597,255	32,483	14	1	29,864	0	0	4,527	0	6
1837	597,280	32,404	10	8	29,864	0	0	7,067	11	2
1838	597,280	43,635	12	11	29,864	0	0	20,839	4	1
1839	597,280	48,098	3	0	35,836	16	0	33,100	11	1
1840	597,280	48,951	8	10	35,836	16	0	46,215	3	11
1841	786,300	51,300	0	9	41,507	8	0	56,007	16	8
1842	800,000	55,118	14	2 ‡	48,000	0	0	63,126	10	10
1843	800,000	51,896	5	7	48,000	0	0	66,822	16	5
1844	800,000	51,081	18	11	48,000	0	0	69,904	15	4
1845	800,000	66,344	1	0	48,000	0	0	88,248	16	4
1846	800,000	72,175	15	9	48,000	0	0 }	98,424	12	1
(Bonus)	...	...	...	...	16,000	0	0 }	...	...	...
1847	998,882	58,223	4	10	54,000	0	0	100,647	16	11
1848	998,768	62,076	0	0	60,000	0	0	102,723	16	11
Totals,	998,768	688,650	7	0	585,926	10	1	102,723	16	11

\* The above article was prefixed to a volume of the Reports and other public documents printed (not published) in 1847, under the title of "A Record of the Proceedings of the First Thirteen Years of the London and Westminster Bank, with Portraits of its Principal Officers."

† These are the net profits after making all deductions, including the payment to directors, the income-tax, and £1,000 towards the preliminary expenses.

‡ This amount includes a sum of £1,308 arising from premiums on shares sold.



Mr. James William Gilbert has been the General Manager of the Bank from its commencement. He was previously the manager of the Waterford Branch of the Provincial Bank of Ireland.

The Prospectus of the Bank, January 1, 1849 : —

#### LONDON AND WESTMINSTER BANK.

*Established 10th March, 1834, — under the Act of Parliament, 3 & 4 Will. IV. c. 98, — and Registered under the Act 7 & 8 Vict. c. 113.*

**DIRECTORS.** — Henry Bosanquet, Esq.; Henry Buckle, Esq.; Frederick Burmester, Esq.; John Garratt Cattley, Esq.; Thomas Chapman, Esq., F.R.S.; James Denis de Vitre, Esq.; Joseph Esdaile, Esq.; Thomas Farncombe, Esq., Ald.; Charles Gibbes, Esq.; William Haigh, Esq.; George Hanson, Esq.; Henry Harvey, Esq., F.R.S.; David Salomons, Esq., Ald.; John Stewart, Esq.; Joshua Walker, Esq.

**TRUSTEES AND REGISTERED PUBLIC OFFICERS.** — Henry Bosanquet, Esq.; Frederick Burmester, Esq.; Joseph Esdaile, Esq.; Charles Gibbes, Esq.; Henry Harvey, Esq.

**GENERAL MANAGER.** — James William Gilbert, Esq., F.R.S.

*City Office.* — Lothbury; W. T. Henderson, Manager.

*Westminster Branch.* — 1, St. James's-square; Oliver Vile, Manager.

*Bloomsbury Branch.* — 214, High Holborn; William Ewings, Manager.

*Southwark Branch.* — 3, Wellington-street, Borough; Edward Kingsford, Manager.

*Eastern Branch.* — 87, High-street, Whitechapel; W. D. Asperne, Manager.

*St. Marylebone Branch.* — 4, Stratford-place, Oxford-street; George M. Mitchell, Manager.

The capital of the bank is £ 5,000,000 sterling, in 50,000 shares of £ 100 each. The sum of £ 20 has been paid on each share, so that the paid-up capital is £ 1,000,000 sterling. This presents the most perfect security to the public, and gives the bank the most ample means for affording to its customers every reasonable accommodation.

The bank has above eleven hundred partners, whose names are registered at the Stamp Office, and are printed with the Annual Report of the Directors. The advantage obtained by a joint-stock proprietary is, that those partners who are customers to the bank participate in the profits made by their own accounts.

Current accounts are received on the same principles as those observed by the London bankers. Every person connected with the establishment signs a declaration of secrecy as to the accounts of individuals. No Christmas boxes or other gratuities are allowed to be taken by the officers of the bank.

Parties who are desirous of having current accounts, without being under the necessity of keeping a balance, are charged a small commission, proportionate to the amount of their transactions. This extends the advantage of a banking account to parties having moderate incomes, or who in the course of their business find ample employment for their capital.

Sums from £ 10 to £ 1,000 are received on deposit, at a rate of interest to be fixed at the time, and they are repayable upon demand, without notice. For these sums receipts are granted, called deposit receipts. By allowing interest for small sums, the benefit of the deposit system, as practised in Scotland, is extended to all classes of the community.

Sums of £ 1,000 and upwards are also received on deposit receipts, upon such terms as may be agreed upon, with regard to the rate of interest and the time of repayment. Trustees, and others who have money which they cannot immediately employ, may thus obtain an interest for it until an opportunity occurs for its permanent investment. Parties may lodge money upon an interest account who have no current account, and those who have current accounts may transfer any portion of their balance to an interest account.

Circular notes and letters of credit are issued for the use of travellers and residents on the Continent and the United States. These notes are payable at every important

place in Europe or in the United States, and thus enable a traveller to vary his route without inconvenience. No expense whatever is incurred, and when cashed no charge is made for commission. These notes may be obtained at the City-Office in Lothbury, or at any of the branches.

The bank takes the agency of joint-stock banks, private bankers, and other parties residing at a distance. By the Act 7 & 8 Victoria, c. 32, this bank obtained the right of accepting bills drawn at a less period than six months after date, and by the Act 7 & 8 Victoria, c. 113, it acquired the privilege of suing and being sued in the name of any one of its registered public officers.

## II. — *The London Joint-Stock Bank.*

The Joint-Stock Bank was formed in the year 1836. That year was one of great excitement in favor of the principle of joint-stock banking both in London and in the country. The shares of the new bank were readily taken by a very respectable proprietary, most of whom were resident in London. The bank had also from its commencement the advantage of an influential commercial directory. A new feature in London banking was announced. The bank agreed to allow interest at 2 per cent. on the minimum balance of a current account. At the end of each month interest was allowed on the lowest balance that had appeared to the party's credit at the close of any day during the month. Previous to the commencement of business, the bank engaged as manager Mr. George Pollard, who had for many years been the chief clerk in the private bank of Messrs. Williams, Deacon, & Co.

The capital of the bank was fixed at £ 3,000,000, divided into 60,000 shares of £ 50 each.

The bank was opened on the 21st of November, 1836, at temporary offices in Coleman-street. The shares subscribed for, and upon which the deposit of £ 2 per share had been paid, then exceeded £ 30,000. Soon afterwards the bank removed to their present premises in Prince's-street.

The first annual meeting of the proprietors was held on the 13th of December, 1837, at the bank premises in Princes-street. The number of shares on which the £ 2 deposit and the first call of £ 5 per share had been paid was then 31,080, making a paid-up capital of £ 217,560. Upon this capital a dividend was declared at the rate of 4 per cent. and £ 2,932 0s. 9d. carried to the credit of "the Guarantee Fund."

In the year 1838 the directors made a call of £ 3 a share, payable the 21st of May, 1838, which increased the paid-up capital to £ 10 a share. And in this year the dividend was raised to 5 per cent.

At the meeting in June, 1839, the directors stated that the deed of settlement required all the effects of the bank to be taken strictly at the market value of the day on which the accounts are made up. The half year's profits were consequently lower, from the exchequer bills held by the bank being valued at their then low price in the market.

It was resolved at this meeting that the time of balancing the books of the company be in future the 30th day of June and the 31st day of December in each year, instead of the 20th day of May and the 20th day of November; and that the half-yearly meetings of the company be in future held in the months of January and July.

At the general meeting held on the 11th of January, 1840, the directors announced their intention to issue 12,432 of the reserved shares, in the proportion of two to every five held by each shareholder. The shares were issued at £1 premium, and these premiums were added to the guarantee fund. At the meeting on the 11th of July, 1840, the report stated that out of these 12,432 shares, 12,254 had been claimed, and the remaining 178 had been sold on account of the bank at a premium of £3 each. The report further stated, that "the manager, Mr. Pollard, having claimed for his nominees the 1,000 shares at par to which they were entitled by his agreement when originally engaged, the same have been issued to them, which increases the number of paid-up shares entitled to participate in the present dividend to 32,080."

In the latter end of the year 1840, Messrs. Wright & Co., a very old banking-house, having many connections among the Roman Catholics, stopped payment. The London Joint-Stock Bank determined to open a branch at the West-end of London, and appointed two of Mr. Wright's partners to be their managers.

The directors made the following announcement of this event to the shareholders at the meeting held the 13th of January, 1841 : —

"Circumstances having occurred which appeared to present a favorable opportunity to establish another joint-stock bank in the western part of the metropolis, the directors resolved to open a branch of this bank in the premises recently occupied by Messrs. Wright & Co., No. 6, Henrietta-street, Covent-garden.

"Business was commenced at the branch in question, which is called 'The Western Branch of the London Joint-Stock Bank,' on Saturday the 5th ultimo, and the directors have every reason to expect that it will materially contribute to the prosperity of this establishment."

At the same meeting the directors announced their intention to issue the remainder of their shares : —

"On reference to the statement of assets and liabilities, the proprietors will perceive that the number of shares has been increased by the issue of reserved shares during the past year, to 44,512 ; and the directors are of opinion that the time has now arrived when it is expedient to complete the number originally contemplated, by the issue of the remainder, which they have accordingly resolved to do.

"As the directors have learned, with much satisfaction, that the principle adopted on the former occasion was very generally approved of, they have decided, in the present instance, to follow the same plan, as nearly as possible, by issuing at a premium of £1 each, one for every three shares held by the present proprietors, and by dividing the payment for the shares into four instalments of £2 10s. each, payable on the 15th of April, 31st of May, 29th of July, and 15th of September next. The premium to be received on the said shares will again be carried to the credit of the guarantee fund.

"There will then remain to complete the number of 60,000 shares the small excess of 651, which will be disposed of by the directors to the best advantage for the benefit of the bank."

At the meeting in July the directors stated that, having been unable to

agree with the assignees of Messrs. Wright & Co. upon terms for the purchase of the premises in Henrietta-street, and the opportunity of obtaining the premises that had recently been occupied by Messrs. Hammersley & Co. (who had also failed) in Pall Mall, the directors determined upon removing the business of their Western Branch to the latter house. The house in Henrietta-street was taken by the Commercial Bank of London, who then opened a Western Branch.

At the general meeting held on the 12th of January, 1842, the directors announced, that the instalments on the last issue of shares having been received, the paid-up capital was £ 589,700, and as they considered it desirable to complete the issue of the whole 60,000 shares, they intended to dispose of the remaining 1,030 to the public. These shares were afterwards sold at a premium of £ 3,925 12s. 6d., which amount was added to the guarantee fund.

At this meeting the dividend was raised to 6 per cent., at which rate it has since remained.

At the July meeting in 1843, the directors announced that, in consequence of the abundance of money and the low rate of interest, the profits were only £ 12,183 17s. 5d., and they had recourse to the guarantee fund for a sum equal to pay the usual half-yearly dividend, at the rate of 6 per cent. per annum, — £ 5,817 2s. 7d.

In January, 1844, the directors took £ 1,529 3s. 4d. from the guarantee fund, to make up the amount of the usual dividend.

At the meeting held in July, 1844, the directors announced a change in their allowance of interest on current accounts. They had come to a resolution in February last, "that on and after the 1st of March, the interest allowed by the bank to customers on their minimum balance be one per cent., except on accounts the monthly minimum balance of which on the average of the half-year shall be under two hundred pounds." £ 1,959 12s. 10d. was taken from the reserved fund to make up the half-yearly dividend.

In January, 1847, the directors announced the following plan for the future regulation of the guarantee fund : —

"In meeting the shareholders at the usual period, the directors have satisfaction in laying before them accounts which show that during the last six months the bank has realized a net profit of £ 31,580 17s.

"The question how this profit ought to be appropriated has necessarily brought under the serious consideration of the directors the present state of the guarantee fund, and the amount to which it should attain in order to carry out fairly the design for which it was instituted. And the result of their deliberations has been a resolution that it will not be expedient that it should at present exceed £ 120,000 except by the accumulation of its own interest, and such sums as may be too small to apply to a bonus. But that at the end of each year, in addition to the dividend of 6 per cent. the surplus profit should be divided among the shareholders, provided such surplus amount to 2s. per share in the capital of the company, otherwise that it should be added to the guarantee fund.

"In accordance with this decision, the board will have on this occasion the pleasure of paying to the shareholders a bonus of 2s. per share, in ad-

dition to the usual dividend, and the guarantee fund will then amount to £120,117 14s. 3d."

In January, 1848, the directors declared a bonus of 7s. 6d. a share, in addition to the usual dividend of 6 per cent. ; after sustaining a loss of £6,000 by the defalcation of one of their clerks on the establishment of the Western Branch.

In January, 1849, the directors declared a bonus of 7s. a share, in addition to the usual dividend of 6 per cent.

*A Statement of the Paid-up Capital, Profits, Dividend, and Surplus Fund, of the LONDON JOINT-STOCK BANK, on the 31st December in each Year.*

Date.	Paid-up Capital.	Profits of the Year.			Amount of Dividend.			Surplus Fund.		
	£	£	s.	d.	£	s.	d.	£	s.	d.
1837	217,560	11,634	8	9	8,702	8	0	2,932	0	9
1838	310,800	21,243	12	6	13,209	0	0	10,966	13	4
1839	310,800	27,068	6	10	17,285	11	3	20,749	8	10
1840	445,120	47,922	3	10*	19,148	0	0	49,523	12	8
1841	589,700	61,027	5	4†	28,819	0	0	81,731	18	0
1842	600,000	48,671	19	2‡	36,000	0	0	94,403	17	2
1843	600,000	31,420	16	6	36,000	0	0	89,824	13	8
1844	600,000	37,041	14	4	36,000	0	0	90,856	8	0
1845	600,000	41,440	14	6	36,000	0	0	96,297	2	6
1846	600,000	65,820	11	9	36,000	0	0	120,117	14	3
(Bonus)	...	...	...	...	6,000	0	0			
1847	600,000	62,131	7	4	36,000	0	0	123,759	1	7
(Bonus)	...	...	...	...	22,500	0	0			
1848	600,000	62,005	18	11‡	36,000	0	0	128,765	0	6
(Bonus)	...	...	...	...	21,000	0	0			
Totals,	600,000	517,428	19	9	388,663	19	3	128,765	0	6

\* This sum includes £12,778 8s. 9d. received from premiums on shares sold.

† " £14,466 0s. 0d. ditto.

‡ " £3,025 12s. 6d. ditto.

§ These annual amounts of profits include the sums applied as interest of the surplus fund.

Prospectus for 1849 :—

### THE LONDON JOINT-STOCK BANK.

*Head Office.*—PRINCES-STREET, MANSION HOUSE.

*Western Branch.*—69, Pall Mall.

Capital, £3,000,000 in 60,000 Shares of £50 each.

The business of the bank is conducted on the following principles :—

Accounts of parties, properly introduced, are received agreeably to the present custom of London bankers, with this advantage, that interest is allowed on current accounts kept at the Head Office.

Interest at the rate of £1 per cent. per annum will be allowed on the smallest balance which may appear to the credit of each account, kept at the Head Office, at the close of any day during the preceding month : provided the monthly minimum balance, on the average of the half-year, shall not be under £200.

Sums of money received on deposit, at such rate of interest, and for such periods, as may be agreed upon, reference being had to the state of the money market ; and, if required, bills or promissory notes, at not less than six months' date, will be delivered to depositors, in lieu of receipts, for sums of not less than £100.

The agency of joint-stock, and other country and foreign banks, undertaken on such terms as may be agreed upon.

Investments in, and sales of, all descriptions of British and foreign securities, bal-

loan, specie, &c., effected, dividends received, and every other description of banking business and money agency transacted.

The board of directors meets weekly, when a full statement of the affairs of the bank is laid before them.

Circular Letters of Credit granted on the Continent, and on the chief commercial towns of the world.

January 18th, 1849.

### III. — *The Union Bank of London.*

The Union Bank of London was formed chiefly by gentlemen who were, by birth or otherwise, connected with Scotland. The capital was fixed at £ 3,000,000 in 60,000 shares of £ 50 each.

The bank adopted the principle of allowing 2 per cent. interest on the minimum balance of a current account : — “ Parties keeping current or drawing accounts will be credited on the first day of every month, on the smallest balance at the credit of their account at the close of business on any day during the past month, provided that such balance shall not be less than £ 100. The total amount of interest will be passed to account every six months.”

The bank was opened on the 4th of February, 1839, at No. 8, Moorgate-street ; and a branch was opened on the 25th of March following, at temporary offices in Argyle-street, Regent-street, until a bank-house should be erected on the freehold ground which the directors had purchased for that purpose.

Previous to the opening of the bank the directors engaged, as general manager, Mr. William Wilson Scrimgeour, one of the principal officers in the discount department of the Bank of England.

The first meeting of shareholders was held on the 8th of July, 1840. The report stated that on the 30th June the paid-up capital was £ 210,025, being £ 5 per share paid on 42,005 shares, held by 738 proprietors. A dividend was declared at the rate of 5 per cent. ; and, after liquidating a portion of the preliminary expenses, £ 2,000 was set apart as the foundation of a surplus or guarantee fund.

In the Second Annual Report, made to the general meeting of proprietors the 12th of July, 1841, the directors stated they had made an additional call of £ 5 per share, which had been most promptly responded to by the proprietors ; and the paid-up capital then amounted to £ 422,700.

The report also stated that, a favorable opportunity having offered itself for opening a branch at Charing-cross, the directors availed themselves of it, by purchasing the premises No. 4, Pall Mall East, lately occupied by the Metropolitan Bank, which had withdrawn from business. Mr. Wight, the manager of the Metropolitan Bank, was appointed the manager of the branch.

At the general meeting held in July, 1844, the directors stated that, “ the premises now occupied by the bank having become inadequate for the convenient transaction of its extended business, the directors had availed themselves of the opportunity of purchasing from the Great Western Railway Company, their extensive freehold premises in Princes-

street, which will secure a permanent position for the bank in the most convenient situation in the city."

The directors state in their report of July 1847:—

"The directors consider they are justified in increasing the rate of dividend, and they have therefore declared a dividend for the last six months of  $3\frac{1}{2}$  per cent., which, with  $2\frac{1}{2}$  per cent. paid in January, will make the dividend 6 per cent. clear of income-tax, for the whole year."

The report also states:—

"The directors have considered the subject of the appropriation of the reserved shares, and have resolved that they shall be offered in the first instance to the shareholders only, in ratable proportion to the shares held by them, and on such terms as shall be equivalent to a liberal bonus. And the proprietors may rely on the directors giving ample notice of, and selecting such period for, this appropriation as shall be most desirable for the interests of the bank, and advantageous to the proprietors individually."

In the report of July, 1848, the directors again refer to this subject:—

"With respect to these shares, which were alluded to in the last annual report, it is almost superfluous to refer to the unprecedented mercantile crisis which has marked the eventful period since the last general meeting, as having rendered it inexpedient to appropriate them at a time when it might be inconvenient to many proprietors to avail themselves even of so advantageous an investment."

*Table of the Paid-up Capital, Annual Profits, Dividends, and Amount of Surplus Fund, of the UNION BANK OF LONDON, during each Year ending the 30th of June.*

Date.	Paid-up Capital.	Profits of the Year.			Amount of Dividend.			Surplus Fund.		
	£.	£.	s.	d.	£.	s.	d.	£.	s.	d.
1840	210,025	12,501	5	0	10,501	5	0	2,000	0	0
1841	422,700	17,851	5	0	15,851	5	0	4,000	0	0
1842	422,900	23,145	0	0	21,145	0	0	6,000	0	0
1843	422,900	23,145	0	0	21,145	0	0	8,000	0	0
1844	422,900	24,613	16	1	21,145	0	0	11,468	16	1
1845	422,900	28,630	12	2	21,145	0	0	18,954	8	3
1846	422,900	23,145	0	0	21,145	0	0	20,954	8	3
1847	422,900	42,070	5	5	25,374	0	0	37,650	13	8
1848	422,900	34,474	0	0	25,374	0	0	46,750	13	8
Totals,	422,900	229,576	3	8	182,825	10	0	46,750	13	8

Present Prospectus:—

#### UNION BANK OF LONDON.

Capital £ 3,000,000, in Shares of £ 50 each.

**DIRECTORS.**—Sir Peter Laurie, Alderman, *Governor*; William Mountford Nares, Esq., *Deputy Governor*; George Webster, Esq.; John Barnes, Esq.; J. W. Sutherland, Esq.; James Farquhar, Esq.; Peter Laurie, Esq.; John Connell, Esq.; Charles Lyall, Esq.; John Chapman, Esq.; Henry Hulbert, Esq.; Archibald Boyd, Esq.; Lieut. Col. Matheson, M. P.; John Scott, Esq.

*Principal Office.*—2, Princes-street, Mansion-house.

William Wilson Scrimgeour, *General Manager*.

*Regent-street Branch Office.*—Argyll-place; Henry T. Clack, *Manager*.

*Charing Cross Branch Office.*—4, Pall-mall, East; Alexander Wight, *Manager*.

*Secretary.*—Walter Laurie.

The capital of the bank is £3,000,000 sterling, in 60,000 shares of £50 each; 42,290 of these shares (on each of which £10 has been paid, making the paid-up capital £422,900) are held by nearly 600 proprietors, whose names are published periodically.

**TERMS.**

**Current Accounts.** — Parties keeping current or drawing accounts will be credited on the first day of every month with a month's interest, at the rate of 2 per cent. per annum, on the smallest balance at the credit of their account at the close of business on any day during the past month, provided that such balance shall not be less than £100. The total amount of interest will be passed to account every six months.

**Deposit Accounts.** — The rate of interest at present allowed on money placed on deposit at ten days' notice, is £2 per cent., but which will rise or fall, *pro rata*, with the Bank of England rate of discount for first-class bills, being always one per cent. under that rate. The maximum not to exceed 5 per cent. Receipts for the sums so deposited will be granted to the parties; or, for the convenience of depositors going abroad, bills or promissory notes, at not less than six months' date, including interest till maturity, will be issued.

**GENERAL BUSINESS.**

The agency of country and foreign banks, whether joint-stock or private.

Circular notes and letters of credit issued for all parts of the continent of Europe and elsewhere.

Purchases and sales effected in all the British and foreign stocks and securities, and the dividends received without charge.

The half-pay, &c., of officers, being customers, also received without charge.

W. W. SCRIMGEOUR, *General Manager*

**IV. — The Commercial Bank of London.**

This bank commenced at No. 3 Moorgate Street, Lothbury. Its shares were £1,000 each. The first manager was Mr. Sparkes, who had been a private banker at Exeter. The present manager, Mr. Alfred R. Cutbill, was sub-manager of the London and County Bank.

*A Statement of the Paid-up Capital, Profits, Dividend, and Surplus Fund, of the COMMERCIAL BANK OF LONDON, on the 31st of December in each Year.*

Date.	Paid-up Capital.	Profits of the Year.			Amount of Dividend.			Surplus Fund.		
	£	£	s.	d.	£	s.	d.	£	s.	d.
1841, . . .	80,000	3,619	19	5	2,684	14	3	935	5	2
1842, . . .	80,000	4,584	4	3	4,000	0	0	1,519	9	5
1843, . . .	80,000	3,249	0	0	3,200	0	0	1,568	9	5
1844, . . .	80,000	4,945	12	2	4,000	0	0	2,514	1	7
1845, . . .	100,000	6,981	16	8	4,987	6	9	4,508	11	6
1846, . . .	122,860	12,600	16	8	7,042	8	6	10,066	19	8
1847, . . .	128,280	12,382	13	2	7,624	7	2	14,825	5	8
1848, . . .	128,280	10,257	19	4	7,696	16	0	17,386	9	0
Totals, . .	128,280	58,622	1	8	41,235	12	8	17,386	9	0

The first annual meeting was held on the 30th of June, 1841, when the paid-up capital amounted to £80,000, on which a dividend was paid at the rate of 4 per cent. per annum. The bank had opened a Western Branch in Henrietta Street, Covent Garden, in the premises formerly occupied by the private bank of Messrs. Wright & Co., who had become bankrupts.



At the annual meeting in 1842 the dividend was raised to 5 per cent. In the year 1843 the dividend declared was 4 per cent., and in 1844 it was 5 per cent.

At a special meeting, held on the 3d of June, 1844, it was resolved to reduce the shares from £1,000 to £100 each.

In July, 1845, the directors met their proprietors for the first time in their new house, in Lothbury. The rate of interest was advanced to six per cent.

Present Prospectus:—

### COMMERCIAL BANK OF LONDON,

LOTHBURY, AND 6, HENRIETTA STREET, COVENT GARDEN.

Capital, £2,000,000, in 20,000 Shares, of £100 each.

**DIRECTORS.**—John Taylor, Esq., *Chairman*. Thomas Barnewall, Esq., *Deputy Chairman*. Charles Dickson Archibald, Esq.; William Beresford, Esq., M.P.; William Sprott Boyd, Esq.; John Alfred Chowne, Esq.; William Cooper, Esq.; James Alexander Douglas, Esq.; Charles Hill, Esq.; Jonathan Hopkinson, Esq.; Edward Oxenford, Esq.; John Savage, Esq.; Joseph Thompson, Esq.; Joseph Underwood, Esq.; Richard Walker, Esq., M.P.; Thomas Winkworth, Esq.

**MANAGER.**—Mr. Alfred R. Cutbill.

**SOLICITORS.**—Messrs. Amory, Nelson, Travers, & Wynn, and Messrs. Norris & Sons.

Accounts of parties received and kept on the plan generally adopted by London bankers.

Parties having current accounts with this bank have the advantage of transferring any surplus balance to a deposit account bearing interest; and sums of money are received on deposit from parties not keeping current accounts, at such rate of interest, and for such periods, as may be agreed upon.

The agency for country and foreign banks undertaken on such terms as may be agreed upon.

Purchases and sales of British and foreign securities, &c., effected, dividends received, and every description of banking business transacted.

### V.—*The London and County Bank.*

This bank was originally called the Surrey, Kent, and Sussex Bank, and it was intended that its head office should be fixed in Southwark. It afterwards assumed the above title, and took the premises formerly occupied by the private bank of Messrs. Lees, Brassey, & Co., at No. 71 Lombard Street. From thence it removed to No. 21 Lombard Street, the premises formerly occupied by the private bank of Messrs. Esdaile & Co. It has forty-five branches, all in the country.

The following Private Banks have been absorbed in the London and County Bank:—

1. Aylesbury,	J. & T. Chapman.	5. Petersfield,	Hector & Co.
2. Chatham,	Jeffreys & Hill.	6. Sandwich,	Emmerson & Co.
3. Cranbrook,	Wilnhurst & Co.	7. Petworth,	John Stoveld.
4. Oxford,	Davenport & Co.		

X

277

The branches at Abingdon, Arundel, Cambridge, Canterbury, Chichester, Romford, St. Alban's, and Stoney Stratford, were established in consequence of the failure of private banks in those places.

Present Prospectus : —

**THE LONDON AND COUNTY JOINT-STOCK BANKING COMPANY.**

Subscribed Capital £500,000, in Shares of £50 each; £20 paid.

*Parent Establishment, 21 Lombard Street.*

**DIRECTORS.** — John Sadleir, Esq., M. P., *Chairman.* John Griffith Frith, Esq., *Deputy Chairman.* William Cory, Esq.; James William Deacon, Esq.; J. A. Durham, Esq.; Swynfen Jervis, Esq.; John Cuthbert Joyner, Esq.; J. H. Lance, Esq.; Richard Springett, Esq.; Clement Tabor, Esq.; John Wheelton, Esq.; James Rhodes, Esq., *Inspecting Director.*

**TRUSTEES.** — Wm. Cory, Esq.; James William Deacon, Esq.; Swynfen Jervis, Esq.

**GENERAL MANAGER.** — Henry Luard, Esq.

**STANDING COUNSEL.** — Sir John Jervis, M. P., Attorney General; Russell Gurney, Esq., Q. C.

**SECRETARY.** — R. P. Nichols, Esq.

**SOLICITORS.** — Messrs. Wilkinson & Gurney.

*Branch Banks of the Company.*

Abingdon and Wantage,	Croydon,	Maldon,
Arundel and Worthing,	Dorking,	Oxford and Witney,
Ashford,	Dover,	Petersfield,
Aylesbury and Thane,	Gravesend	Petworth and Midhurst,
Banbury,	Greenwich,	Romford and Chipping
Bishop's Stortford and Saffron Walden,	Halstead,	Ongar,
Braintree,	Hastings and Battle,	Rye,
Brighton,	Hertford,	Sandwich,
Buckingham,	Horsham,	Seven Oaks,
Cambridge,	Huntingdon, St. Ives, and	St. Alban's,
Canterbury,	St. Neot's,	Stoney Stratford,
Chatham,	Leighton Buzzard,	Tenterden,
Chelmsford,	Lewes, Hailsham, and New-	Tunbridge,
Chichester,	haven,	Tunbridge Wells,
Coggeshall,	Luton, Dunstable, and	Woolwich,
Cranbrook,	Hitchin,	Wrotham.
	Maidstone,	

"I look upon the principle of joint-stock companies as one of the great discoveries of modern times. I regard them, when made responsible to public opinion, as the ground on which all successful enterprise must be founded. I say further, that if there be any one description of business to which the principle of a joint-stock company can be more applicable than another, it is, under due restrictions, the business of banking."

The history of joint-stock banks is short, — they sprang from necessity. The panic of 1825 provoked an inquiry into the banking system, and the result was the enactment of the 7th Geo. IV., the statute to which they owe their origin in this country.

Their success has been extraordinary. Established in Scotland, Ireland, and England, their shares command high premiums, in many cases exceeding 100 per cent. on the paid-up capital. Their stability and prosperity in Scotland, from the date of their original foundation up to the present hour, are notorious: it is beyond a question, that no principle of banking which has yet been subjected to the test of experience has afforded an equal extent of credit with equal security.

They have been tendered by the Legislature as a safe medium of commercial trans-

\* Extract from the Speech of the Chancellor of the Exchequer, 1835.

actions; they have been accepted by the leading capitalists; and they have received the stamp of approbation and implicit confidence from the great mass of the population of the three kingdoms.

The primary advantage of joint-stock banks is their undoubted stability. They offer to individuals the opportunity of becoming their own bankers. As shareholders, they participate in the profits of their own accounts. If they require accommodation, a part of the consideration they pay for it returns to them; if they deposit, the amount is doubly fruitful: first, they receive from the bank, interest on the sum deposited; and secondly, they share in the profit which the bank itself makes by the use of their investment. In a word, private individuals, instead of giving the profit of their accounts to private bankers, by becoming shareholders in joint-stock banks divide it amongst themselves.

As a short summary, it may be said, that joint-stock banks owe the public approbation bestowed on them, and the public confidence they enjoy, to the number and wealth of their proprietors, to the publicity of their transactions, to their actually subscribed capital, to the security which they offer for the fulfilment of their engagements, to the almost unlimited credit of a large and rich proprietary, to the power thence derived to afford to the public the greatest accommodation consistent with prudence, to the individual influence of each member of the company, whose exertions secure to it considerable business at the outset, and to their perfect freedom from a dread of the sudden and ruinous checks to which private banks, however solvent and honorable the partners, are liable in those panics which seem to occur periodically in great trading communities. These advantages are found to be obtainable from banking companies founded on the joint-stock principle, and from them alone.

The London and County Bank was established with the avowed object of introducing these advantages amongst the inhabitants of the surrounding districts of London, within sixty-five miles; and whatever the difficulties of prejudice and opposition which the directors had to encounter in the first instance, such has been the growing favor of the joint-stock system of banking, engendered by the inquiring spirit of the age, and confirmed by the disastrous results consequent upon the failure of private banks, that the London and County Banking Company can now triumphantly point to upwards of forty branches which have, one after the other, been raised into existence, and which, nurtured by the wants of their various localities, are steadily and progressively increasing in profit and importance.

The London and County Bank is protected from one of the most active causes of loss to a bank, — panic; by not being a bank of issue, it does not coin a circulation of its own; it confines its payments to that which has ever merited public confidence, the coin of the realm, and the notes of the most powerful joint-stock bank in the world, — the Bank of England.

The company at the parent bank and its branches open accounts with commercial houses and private individuals, either upon the plan usually adopted by the London bankers, or by charging a small commission to those persons to whom it may be more convenient to use the whole of their capital.

They allow interest at the rate of 1 per cent. per annum on the amount of the monthly minimum balance exceeding £100, which is passed to the customer's credit at the expiration of the quarter.

They receive deposits at such rate of interest and for such periods as may be agreed upon, reference being had to the state of the money market.

They obtain letters of credit for all the principal cities and towns of foreign countries.

They receive dividends; army, navy, and civil pay, and pensions; proceeds of ecclesiastical property, and rents; effect transfers and sales of stock and shares; and transact financial business generally.

The following are the leading features in the deed of settlement on which the company has been constituted: —

1. The shares of the London and County Bank are £50 each, and they are dispersed amongst upwards of 400 proprietors, mostly residing in the immediate localities of its branches.

2. As regards the liability of the shareholder, the deed of settlement contains a clause, which, while it leaves unimpaired that great principle of the law on which the stability of joint-stock banks is founded, and which secures to them "unlimited" public confidence, namely, the "unlimited" liability of each shareholder for the obli-

gations of the company, at the same time efficiently protects him, by providing, that if ever the losses of the company shall amount to one third of the paid-up capital, a meeting shall be called to consider the propriety of dissolving it; and that if, in opposition to the views of any shareholder, it be determined, notwithstanding the loss, to continue the company in existence, he may call on those shareholders who so resolve to purchase his shares, and thus release him from all future responsibility.

3. A proportion of the profits is reserved to form a permanent guarantee fund; and after a sufficient accumulation, the entire future profits will be divided among the shareholders.

4. A balance-sheet, clearly showing the state of the financial affairs of the company, will be open to the inspection of the shareholders seven days previous to each annual meeting.

5. Shareholders are entitled to one vote for five shares; to two votes for twenty shares; to three votes for fifty shares; and to five votes for one hundred shares and upwards.

By order of the Directors,

21, Lombard Street.

R. P. NICHOLS,  
Secretary.

The total number of places at which business is carried on in London by joint-stock banks is fourteen, of which seven are to the east, and seven to the west of Temple-bar.

No. I. — *Analysis of the Returns made to the Commissioners of Stamps and Taxes by the Joint-Stock Banks of London, in January, 1849.*

	London and Westminster Bank.	London Joint-Stock Bank.	Union Bank of London.	Commercial Bank of London.	London and County Bank.	Total.
Parties resident in London and within 15 miles, . . . .	761	624	373	110	99	1,967
Do. in other parts of England, . . .	361	177	109	53	263	963
Do. in Scotland, . . . .	44	17	80	5	—	146
Do. in Ireland, . . . .	14	1	1	1	1	18
Do. abroad, . . . .	19	9	7	10	—	45
	<u>1,199</u>	<u>828</u>	<u>570</u>	<u>179</u>	<u>363</u>	<u>3,139</u>

No. II. — *Abstract of the Affairs of the Joint-Stock Banks, from their last Reports.*

Name of Bank.	Capital Subscribed.	Capital Paid-up.	Amount of Deposits.	Reserved Fund.	Amount of Shares.	Paid-up per Shr.	Dividend per Cent.
London and Westminster Bank, . . . .	£ 5,000,000	£ 1,000,000	£ 2,059,659	£ 103,723	£ 100	£ 20	£ 6
London Joint-Stock Bank, . . . .	3,000,000	600,000	2,328,066	128,765	50	10	6 & 3/4 Bo.
Union Bank of London, . . . .	3,000,000	422,900	2,644,728	46,750*	50	10	6
Commercial Bank of London, . . . .	641,400	128,280	406,217	17,896	100	20	6
London and County Bank, . . . .	500,000	199,800	1,354,730	27,550	50	20	6
	<u>£ 12,141,400</u>	<u>2,350,980</u>	<u>9,823,390</u>	<u>223,174</u>			

\* This is the amount transferred from the Profit and Loss Account, without the accumulations. With these, it amounts to £ 50,000, which is invested in Bank Stock.

Two joint-stock banks have been discontinued in London. 1. "The Metropolitan Bank," which was formed in 1839, and wound up in 1841. The manager, the premises, and the customers were transferred to the Union Bank of London, who then opened a branch at Charing-cross. 2.

"The St. Marylebone Bank," opened in 1836, was wound up in 1841. The business of the bank was transferred to the St. Marylebone Branch of the London and Westminster Bank.

#### THE CLEARING-HOUSE.

The joint-stock banks are not admitted into the Clearing-house. This exclusion puts them to some inconvenience, and to considerable expense. There are certain classes who cannot conveniently keep their account with a bank that does not clear. The banks have to keep a larger amount of money in their tills, and thus there is a loss of interest. They have to employ more clerks, to present their bills and cheques at the houses of the clearing bankers, and thus there is a greater expenditure in salaries. In lending money on the Stock Exchange they have to stipulate for payment in bank notes, and not by a clearing cheque. In selling stock they have to make the same agreement. In these cases they have sometimes to submit to less favorable terms, as it is not always convenient, and never agreeable, to the stock-brokers to supply bank notes in the middle of the day. Other inconveniences are also occasionally experienced.

The exclusion of the joint-stock banks inflicts also some inconvenience and loss on the clearing bankers. The joint-stock banks present all their bills and cheques at the counters of the respective clearing bankers three times a day, and receive payment in bank notes. On the other hand, each clearing banker presents his bills and notes at the same hours on the several joint-stock banks, at their respective counters, and receives payment in bank notes. To meet the claims made upon them daily by the private banks, the joint-stock banks have to keep in their tills a larger amount of bank notes than they would keep were they members of the Clearing-house. And, on the other hand, each clearing banker has also to keep a larger amount of bank notes to meet the claims made upon him at his counter by the joint-stock banks. The customer of the private banker must also make provision the day before they fall due for any bills he may have made payable at his banker's. For should those bills be in the hands of the joint-stock bank who will present them early in the morning, and if provision is not previously made, the bills will be dishonored. Stock-brokers, too, have sometimes sustained annoyance from this cause. They have sold stock for parties who keep their account with a joint-stock bank, and when their cheque has been presented for payment by the joint-stock bank, it has not been paid. The answer given has been that it must come through the clearing; and as the joint-stock bank could not pass it through the clearing, it has been returned dishonored to the broker's customer. These inconveniences and annoyances to all parties will necessarily multiply as the business of the joint-stock banks shall increase.

The Clearing-house was established about seventy-five years ago, by some of the London bankers, for the purpose of facilitating their exchanges with each other. It was at first by no means generally approved, and some of the principal bankers refused to have recourse to it. After the number of clearing bankers had increased, a committee was formed

for its government. This committee is composed of five or six of the leading bankers, and any new bank that desires to have the privilege of clearing, must now apply for permission to the committee.

The object the clearing bankers had in view was to exchange bills and cheques against bills and cheques, and thus be enabled to carry on their business with a less amount of capital. But while the bankers endeavoured to promote their own interest, they promoted at the same time the interest of the public. The sums liberated from employment in this way became available for employment in agriculture, manufactures, and commerce. Whenever any banker, therefore, is excluded from the Clearing-house, and is consequently obliged to keep a larger amount of cash in his coffers, his available capital is so far reduced, and thus the agriculture, manufactures, and commerce of the country receive less encouragement.

The establishment of the Clearing-house has led to new arrangements in several branches of business. The stock-brokers, for instance, now settle all their receipts and payments by cheques, to be paid through the Clearing-house. The cheques a broker draws on his banker are paid at the Clearing-house by cheques of other brokers, which he lodges to his credit. The colonial brokers also, and other classes of commercial men, have fixed days for settling their accounts, and on these days draw cheques on their bankers in the morning, and pay in cheques to meet them at a subsequent part of the day. Thus the institution of the Clearing-house has become entwined with the commerce of the country, and could not be discontinued without deranging every branch of business. It has also received the sanction of the law of the land, the courts of law having decided that the presentment of a bill of exchange at the Clearing-house is a legal presentment. In this case, as in many others, the custom of bankers and merchants has become law. Many of our commercial laws have had the same origin. They have at first been mere regulations established by merchants for their own convenience; these regulations have been adopted by other classes of the community; they have been followed for a number of years; and then the law has recognized them as a portion of the commercial institutions of the country. Such was the origin of allowing three days' grace upon bills of exchange, and such has been the case with the Clearing-house. The Clearing-house is no longer, therefore, a private subscription-room, from which the parties admitted may exclude whomsoever they please at their own caprice. They may exclude improper banking companies, as the Edinburgh banks refuse to exchange with any bank that is not respectable; but they are bound in justice to admit all respectable banks who may apply for admission.

"Another amendment which I would propose as connected with the currency of London, would be a regulation of the Clearing-house by the Legislature. Although the Clearing-house was a voluntary association of bankers at first, yet it has now existed for 60 years, and has become interwoven with several branches of London trade; it is therefore for all practical purposes a public institution, and, like a market or any other public institution, might become the subject of legislative interference. The exclusion of banks in London from the Clearing-house whose capi-

tal now amounts to about two millions sterling, and who have about 2,000 partners, is not only a great inconvenience and a great loss to those banks, but is a great inconvenience also to the public in general, and such an interference with the freedom of trade, as carried on by individual companies in London, as alone would justify the interference of the Legislature; and, besides, it is quite unreasonable that an association of omnibus proprietors should be indicted and tried for a conspiracy because they have tried to run a rival omnibus off the road, and yet that a body of bankers may conspire for a similar object without any interference of the Legislature at all." (Evidence of J. W. Gilbart before the Committee on Banks of Issue, March, 1841.)

The following evidence was given by the Governor of the Bank of England, before the Committee on Commercial Distress, in answer to questions from Sir William Clay:—

"It must be known to you, I suppose, that the joint-stock banks of London are excluded from the Clearing-house?—Yes.

"Are you of opinion that that exclusion (which of course it is perfectly within the right and discretion of private banks to insist upon, if they please) tends to public inconvenience, inasmuch as it lessens, *pro tanto*, that economy of the circulating medium which the Clearing-house is calculated to produce?—Allowing joint-stock banks to clear with other bankers, I have no doubt would produce an economy in the use of bank notes.

"And economy in the circulating medium?—And economy in the circulating medium.

"Have you any means of ascertaining the amount to which the admission to the Clearing-house of joint-stock banks would economize the amount of circulation now required for the use of London?—I have not; I have heard it stated at half a million, but I cannot say if that is correct.

"I believe that the chairman of one large London joint-stock bank, namely, the London and Westminster, did state publicly that they were under the necessity of keeping a reserve of £150,000 in bank notes, more than it would have been necessary for them to keep if they had been admitted to the Clearing-house?—I know that he made some statement of that sort; I cannot say what it was.

"That must imply, not perhaps the necessity of a corresponding amount being kept by all private banks, but something approaching to it, inasmuch as all cheques on such banks held by joint-stock banks must be presented in the course of the morning at the banks, instead of being brought to the Clearing-house in the evening?—Yes.

"It is, therefore, not merely the amount of notes which the joint-stock banks are obliged to keep in reserve, but the amount of extra bank notes which the private bankers are obliged to keep in reserve?—Yes.

"There are, besides the London and Westminster, four other joint-stock banks in London; I believe their capital, from the published reports, amount to £2,645,000 paid-up capital, and their deposits to £8,864,000, together £11,509,000, of which these joint-stock banks have the control?—I cannot say whether those figures are correct or not.

"But assuming that those figures are correct, and that it is also correct that one of these banks, namely, the London and Westminster, is compelled to keep £150,000 more of notes in reserve, because they are not admitted to the Clearing-house, is it not probable that the sum you have mentioned of £500,000 is not too large an estimate of the increased quantity of circulating medium, which is rendered necessary by the circumstance of these joint-stock banks not being admitted to the Clearing-house?—Assuming as a fact, that the London and Westminster Bank keep £150,000 of notes more than they would otherwise keep in consequence of not being able to clear, probably, I should say, that that statement is correct.

"But at all events, without assuming that these figures are exactly correct, is it not true, that that exclusion must, in reality, produce the necessity for a larger amount of circulating medium to supply the daily necessities of the public?—Yes."

#### SECTION IV.—THE COUNTRY PRIVATE BANKS.

THESE banks cannot have more than six partners. They are banks of deposit, of loan, and of discount. As banks of deposit, they usually allow interest on both deposits and balances of current accounts, and charge a commission on the amount of the transactions. In commercial or manufacturing districts their advances are usually made by way of discount; in agricultural districts, frequently by loans. They remit money by issuing bills or letters of credit on London, or they direct their agents to make payments to bankers or other parties resident in London. As banks of circulation, they have at various times occupied a large portion of public attention, and have been the subject of much legislation.

Those bankers who wish to issue notes must take out a license, which will cost £ 30 and must be renewed every year. They may re-issue any notes not above the value of £ 100 as often as they think proper. And should any of the firm die or remove from the business, the notes may be issued by the remaining partners. But they cannot be re-issued by a new firm, which does not include any member belonging to the firm by whom the notes were first issued.

If the half of a note be lost or stolen, a banker cannot be compelled to give a new note in exchange for the remaining half. But if it can be proved that one half of a note is burnt, or otherwise destroyed, then the holder may perhaps recover the note from the banker.

In such cases, the bankers always pay the value of the note on receiving a respectable indemnity.

Bankers may be compelled to pay whole notes that have been lost or stolen, provided the holder has given actual value for them.

The stamp duty on country notes is as follows : —

	£	s.		£	s.	s.	d.
Notes not exceeding	1	1	...	...	...	0	5 each.
Exceeding	1	1	and not exceeding	2	2	0	10 "
Ditto "	2	2	"	5	5	1	8 "
Ditto "	5	5	"	10	0	1	9 "
Ditto "	10	0	"	20	0	2	0 "
Ditto "	20	0	"	30	0	3	0 "
Ditto "	30	0	"	50	0	5	0 "
Ditto "	50	0	"	100	0	8	6 "

Country banks are allowed to compound for the stamp duties on their notes, at the rate of seven shillings per cent. per annum upon the amount in circulation, and to include, on the same terms, their bills drawn on London at twenty-one days after date. But whether a country banker compounds for the stamp duties or not, he must make a return to the Government of the amount of his notes in circulation every Saturday night. These returns are consolidated, and the result published in the *London Gazette*.

The following are the enactments respecting country bankers in the Act 7 & 8 Vict. c. 32, passed in 1844 : —



*No New Bank of Issue.*

"X. And be it enacted, That from and after the passing of this Act, *no person other than a banker, who, on the sixth day of May, one thousand eight hundred and forty-four, was lawfully issuing his own bank notes, shall make or issue bank notes in any part of the United Kingdom.*"

*Restriction against Issue of Bank Notes.*

"XI. And be it enacted, That from and after the passing of this Act, it shall not be lawful for any banker to draw, accept, make, or issue, in England or Wales, any bill of exchange, or promissory note, or engagement for the payment of money payable to bearer on demand, or to borrow, owe, or take up, in England or Wales, any sums or sum of money on the bills or notes of such banker payable to bearer on demand, save and except that it shall be lawful for any banker who was on the sixth day of May, one thousand eight hundred and forty-four, carrying on the business of a banker in England or Wales, and was then lawfully issuing, in England or Wales, his own bank notes, under the authority of a license to that effect, to continue to issue such notes, to the extent and under the conditions hereinafter mentioned, but not further or otherwise; and the right of any company or partnership to continue to issue such notes shall not be in any manner prejudiced or affected by any change which may hereafter take place in the personal composition of such company or partnership, either by the transfer of any shares or share therein, or by the admission of any new partner or member thereto, or by the retirement of any present partner or member therefrom: Provided always, *that it shall not be lawful for any company or partnership now consisting of only six or less than six persons to issue bank notes at any time after the number of partners therein shall exceed six in the whole.*"

*Bankers ceasing to issue Notes may not resume.*

"XII. And be it enacted, That if any banker in any part of the United Kingdom who, after the passing of this Act, shall be entitled to issue bank notes, *shall become bankrupt, or shall cease to carry on the business of a banker, or shall discontinue the issue of bank notes, either by agreement with the Governor and Company of the Bank of England or otherwise, it shall not be lawful for such banker at any time thereafter to issue any such notes.*"

*Existing Banks of Issue to continue under certain Limitations.*

"XIII. And be it enacted, That every banker claiming under this Act to continue to issue bank notes in England or Wales shall, within one month next after the passing of this Act, give notice in writing to the Commissioners of Stamps and Taxes, at their head office in London, of such claim, and of the place, and name, and firm, at and under which such banker has issued such notes *during the twelve weeks next preceding the twenty-seventh day of April last*; and thereupon the said commissioners shall ascertain if such banker was on the sixth day of May, one thousand eight hundred and forty-four, carrying on the business of a banker, and lawfully issuing his own bank notes in England or Wales, and if it shall so appear, then the said commissioners shall proceed to ascertain the average amount of the bank notes of such banker which were in circulation during the said period of twelve weeks preceding the twenty-seventh day of April last, according to the returns made by such banker in pursuance of the Act passed in the fourth and fifth years of the reign of her present Majesty, entitled 'An Act to make further Provision relative to the Returns to be made by Banks of the Amount of their Notes in circulation'; and the said commissioners, or any two of them, shall certify under their hands to such banker *the said average amount, when so ascertained as aforesaid*; and it shall be lawful for every such banker to continue to issue his own bank notes after the passing of this Act: Provided nevertheless, *that such banker shall not at any time after the tenth day of October, one thousand eight hundred and forty-four, have in circulation upon the average of a period of four weeks, to be ascertained as hereinafter mentioned, a greater amount of notes than the amount so certified.*

*Provision for United Banks.*

"XIV. Provided always, and be it enacted, That if it shall be made to appear to the Commissioners of Stamps and Taxes that any two or more banks have, by written

contract or agreement (which contract or agreement shall be produced to the said commissioners), become united within the twelve weeks next preceding such twenty-seventh day of April as aforesaid, it shall be lawful for the said commissioners to ascertain the average amount of the notes of each such bank in the manner hereinbefore directed, and to certify the average amount of the notes of the two or more banks so united as the amount which the united bank shall thereafter be authorized to issue, subject to the regulations of this Act.

*Duplicate Certificate to be published in the Gazette. Gazette to be Evidence.*

"XV. And be it enacted, That the Commissioners of Stamps and Taxes shall, at the time of certifying to any banker such particulars as they are hereinbefore required to certify, also publish a duplicate of their certificate thereof in the next succeeding *London Gazette* in which the same may be conveniently inserted; and the gazette in which such publication shall be made shall be exclusive evidence in all courts whatsoever of the amount of bank notes which the banker named in such certificate or duplicate is by law authorized to issue and to have in circulation as aforesaid.

*In case Banks become united, Commissioners to certify the Amount of Bank Notes which each Bank was authorized to issue.*

"XVI. And be it enacted, That in case it shall be made to appear to the Commissioners of Stamps and Taxes, at any time hereafter, that any two or more banks, each such bank consisting of not more than six persons, have, by written contract or agreement (which contract or agreement shall be produced to the said commissioners), become united subsequently to the passing of this Act, it shall be lawful to the said commissioners, upon the application of such united bank, to certify, in manner hereinbefore mentioned, the aggregate of the amounts of bank notes which such separate banks were previously authorized to issue, and so from time to time; and every such certificate shall be published in manner hereinbefore directed; and from and after such publication the amount therein stated shall be and be deemed to be the limit of the amount of bank notes which such united bank may have in circulation: *Provided always, that it shall not be lawful for any such united bank to issue bank notes at any time after the number of partners therein shall exceed six in the whole.*

*Penalty on Banks issuing in Excess.*

"XVII. And be it enacted, That if the monthly average circulation of bank notes of any banker, taken in the manner hereinafter directed, shall at any time exceed the amount which such banker is authorized to issue and to have in circulation under the provisions of this Act, such banker shall in every such case forfeit a sum equal to the amount by which the average monthly circulation, taken as aforesaid, shall have exceeded the amount which such banker was authorized to issue and to have in circulation as aforesaid.

*Issuing Banks to render Accounts.*

"XVIII. And be it enacted, That every banker in England and Wales who, after the tenth day of October, one thousand eight hundred and forty-four, shall issue bank notes, shall on some one day in every week after the nineteenth day of October, one thousand eight hundred and forty-four (such day to be fixed by the Commissioners of Stamps and Taxes) transmit to the said commissioners an account of the amount of the bank notes of such banker in circulation on every day during the week ending on the next preceding Saturday, and also an account of the average amount of the bank notes of such banker in circulation during the same week; and on completing the first period of four weeks, and so on completing each successive period of four weeks, every such banker shall annex to such account the average amount of bank notes of such banker in circulation during the said four weeks, and also the amount of bank notes which such banker is authorized to issue under the provisions of this Act; and every such account shall be verified by the signature of such banker or his chief cashier, or, in the case of a company or partnership, by the signature of a managing director, or partner, or chief cashier of such company or partnership, and shall be made in the form to this Act annexed marked (B.); and so much of the said return as states the weekly average amount of the notes of such bank shall be published by

the said commissioners in the next succeeding *London Gazette* in which the same may be conveniently inserted; and if any such banker shall neglect or refuse to render any such account in the form and at the time required by this Act, or shall at any time render a false account, such banker shall forfeit the sum of *one hundred pounds* for every such offence.

*Mode of ascertaining the Average Amount of Bank Notes of each Banker in circulation during the first Four Weeks after 10th October, 1844.*

"XIX. And be it enacted, That for the purpose of ascertaining the monthly average amount of bank notes of each banker in circulation, the aggregate of the amount of bank notes of each such banker in circulation on every day of business during the first complete period of four weeks next after the tenth day of October, one thousand eight hundred and forty-four, such period ending on a Saturday, shall be divided by the number of days of business in such four weeks, and the average so ascertained shall be deemed to be the average of bank notes of each such banker in circulation during such period of four weeks, and so in each successive period of four weeks, and such average is not to exceed the amount certified by the Commissioners of Stamps and Taxes as aforesaid."

*Bankers to take out a separate License for every Place at which they issue Notes or Bills. Proviso in Favor of Bankers who had Four such Licenses in force on the 6th of May, 1844.*

"XXII. And be it enacted, That every banker who shall be liable by law to take out a license from the Commissioners of Stamps and Taxes to authorize the issuing of notes or bills shall take out a *separate and distinct license for every town or place* at which he shall, by himself or his agent, issue any notes or bills requiring such license to authorize the issuing thereof, any thing in any former Act contained to the contrary thereof notwithstanding: Provided always, that no banker who on or before the sixth day May, one thousand eight hundred and forty-four, had taken out four such licenses, which on the said last-mentioned day were respectively in force, for the issuing of any such notes or bills at more than four separate towns or places, shall at any time hereafter be required to take out or to have in force at one and the same time more than four such licenses to authorize the issuing of such notes or bills at all or any of the same towns or places specified in such licenses in force on the said sixth day of May, one thousand eight hundred and forty-four, and at which towns or places respectively such bankers had on or before the said last-mentioned day issued such notes or bills in pursuance of such licenses or any of them respectively."

It will be seen from these extracts that the provisions of the Act require:—

1. That no new bank of issue be established in the United Kingdom.
2. That the *maximum* of each bank of issue in England shall be the *average* of the notes in circulation during the four weeks ending the 27th of April, 1844.
3. That if any bank having not more than six partners should exceed that number, it would lose its issue. This tends to prevent private banks merging into joint-stock banks.
4. That no union can take place between a joint-stock bank and a private bank, or between two joint-stock banks of issue, without one of them at least losing its circulation.
5. Every new branch at which notes shall be issued must take out a separate license. Hitherto no bank had been obliged to take out more than four licenses, however numerous its branches. This tends to check the opening of new branches of issue.

It has been stated that the object of this Act was to pave the way for the establishment of one bank of issue. These provisions are certainly

not ill adapted for such an end. They will reduce the amount of the country circulation. They will produce other ill effects. The formation of large banks will be retarded. In some places it would be for the public advantage that a private bank should become a joint-stock bank. In other districts, it might be desirable that two small joint-stock banks of issue should unite and form a large one. The restrictions imposed by this Act will tend to prevent such unions. Perhaps in other respects its effects may be beneficial. It may lead a larger number of persons to keep current accounts with bankers, and to make their payments with cheques. A smaller amount of notes will then be necessary for the purposes of the country. The advantages of having a banker will be extended to the middle and lower classes, and will not as much as heretofore be confined to the wealthy. The Act, too, may have the effect of exempting the banks of issue from those accusations to which they have always been subjected on the occurrence of any national calamity. The whole Act of 1844 is formed upon the notion that the country bankers can extend their issues as much as they please, — “a vulgar error,” that has over and over again been abundantly refuted. Yet, had the Act not been passed, and had the country circulation increased a million or two, as possibly it might, from the increased transactions of the country, the railway speculations of 1845 and 1846 would doubtless have been ascribed to the excessive issues of the country banks. The following language, which I addressed in 1844 to the joint-stock banks, may not be considered inapplicable to all banks of issue : —

“Another advantage is, that the joint-stock banks of issue will be delivered from those unjust accusations to which they have hitherto been exposed. Almost every evil that has befallen the country for the last ten years has been ascribed by different writers to the reckless issues of the joint-stock banks ; and though the charge has been oft refuted, yet such has been the talent, zeal, and perseverance with which it has been revived, that it has doubtless in some degree prejudiced the public mind. But now this charge can be made no more. Our assailants are compelled to observe at least a ten years’ truce. During this period we shall have no bank directors publishing pamphlets to show that their efforts to regulate the exchanges have been counteracted by the imprudent issues of the joint-stock banks. Our notes will not again be classed by the authors of ‘prize essays’ among the causes of national distress, and philosophical writers will no longer declaim, in eloquent metaphor, against ‘the wild democracy of rival issuers.’ It is no small matter to be put into a position wherein we shall be sheltered from the peltings of unjust accusations.” (*Letters of Nehemiah*, p. 11.)

Some banks had ceased to issue their notes before the passing of the Act, by virtue of agreements with the Bank of England. The twenty-third section of the Act contains a special provision with reference to these banks.

*Compensation to certain Bankers named in the Schedule.*

“XXIII. And whereas the several bankers named in the schedule hereto annexed marked (C.) have ceased to issue their own bank notes under certain agreements with the governor and company of the Bank of England ; and it is expedient that such

agreements should cease and determine on the thirty-first day of December next, and that such bankers should receive by way of compensation such composition as hereafter mentioned; and a list of such bankers, and a statement of the maximum sums in respect of which each such banker is to receive compensation, hath been delivered to the Commissioners of Stamps and Taxes, signed by the chief cashier of the Bank of England; be it therefore enacted, That the several agreements subsisting between the said governor and company and the several bankers mentioned in the schedule hereto relating to the issue of Bank of England notes shall cease and determine on the thirty-first day of December next; and from and after that day the said governor and company shall pay and allow to the several bankers named in the schedule hereto marked (C.), so long as such bankers shall be willing to receive the same, a composition at and after the rate of one pound per centum per annum on the average amount of the Bank of England notes issued by such bankers respectively and actually remaining in circulation, to be ascertained as follows; that is to say, on some day in the month of April, one thousand eight hundred and forty-five, to be determined by the said governor and company, an account shall be taken of the Bank of England notes delivered to such bankers respectively by the said governor and company within three months next preceding, and of such of the said Bank of England notes as shall have been returned to the Bank of England, and the balance shall be deemed to be the amount of the Bank of England notes issued by such bankers respectively and kept in circulation; and a similar account shall be taken at intervals of three calendar months; and the average of the balances ascertained on taking four such accounts shall be deemed to be the average amount of Bank of England notes issued by such bankers respectively and kept in circulation during the year one thousand eight hundred and forty-five, and on which amount such bankers are respectively to receive the aforesaid composition of one per centum for the year one thousand eight hundred and forty-five; and similar accounts shall be taken in each succeeding year; but in each year such accounts shall be taken in different months from those in which the accounts of the last preceding year were taken, and on different days of the month, such months and days to be determined by the said governor and company; and the amount of the composition payable as aforesaid shall be paid by the said governor and company out of their own funds; and in case any difference shall arise between any of such bankers and the governor and company of the Bank of England in respect of the composition payable as aforesaid, the same shall be determined by the Chancellor of the Exchequer for the time being, or by some person to be named by him, and the decision of the Chancellor of the Exchequer, or his nominee, shall be final and conclusive: Provided always, that it shall be lawful for any banker named in the schedule hereto annexed marked (C.) to discontinue the receipt of such composition as aforesaid, but no such banker shall by such discontinuance as aforesaid thereby require any right or title to issue bank notes."

The following are the Banks named in the schedule:—

Bank of Liverpool	Liverpool.
J. Barned & Co.	ditto.
Biddulph, Brothers, & Co.	Pembroke.
Birmingham Banking Company	Birmingham
Birmingham Town & District Bank	ditto.
Birmingham and Midland Banking Company	ditto.
Burgess & Son	Ramsgate.
Coopers & Purton	Bridgenorth.
Cunliffes, Brookes, & Co.	Blackburn.
Deane, Littlehales, & Deane	Winchester.
Dendy, Comper, & Co.	Chichester.
Devon and Cornwall Banking Company	Plymouth.
Grants & Gillman	Gosport.
Hampshire Banking Company	Southampton.
James W. R. Hall	Ross.
J. M. Head & Co.	Carlisle.
Henty, Upperton, & Olliver	Arundel.
Thomas Kinnorsly & Sons	Newcastle-under-Line.
R. J. Lambton & Co.	Newcastle-on-Tyne.

Liverpool Commercial Banking Company . . . . .	Liverpool.
Liverpool Union Bank . . . . .	Liverpool.
Liverpool Borough Bank . . . . .	ditto.
Manchester and Liverpool District Banking Company . . . . .	Manchester.
Manchester and Salford Banking Company . . . . .	ditto.
Monmouth and Glamorgan Banking Company . . . . .	Newport.
Moss & Company . . . . .	Liverpool.
Mangles, Brothers . . . . .	Guildford.
Newcastle Commercial Banking Company . . . . .	Newcastle-on-Tyne.
Newcastle-on-Tyne Joint-Stock Banking Company . . . . .	ditto.
North of England Joint-Stock Banking Company . . . . .	ditto.
Northumberland and Durham District Bank . . . . .	ditto.
Portsmouth and South Hants Bank Company . . . . .	Portsmouth.
T. & R. Raikes & Co. . . . .	Hull.
Robinson & Broadhurst . . . . .	Mansfield.
Sheffield Union Bank . . . . .	Sheffield.
John Stoveld . . . . .	
Sunderland Joint-Stock Banking Company . . . . .	Sunderland.
Tugwell & Co. . . . .	Bath.
Union Bank of Manchester . . . . .	Manchester.
Vivian, Kitson, & Co. . . . .	Torquay.
Watts, Whiteway, & Co. . . . .	Newton.
J. & J. C. Wright & Co. . . . .	Nottingham.
Webb, Holbrook, & Spencer . . . . .	Ledbury.

The following account of the state of the fixed issue under this Act is taken from the "Banking Almanac" for 1849, page 37 :—

	<i>At Oct., 1848.</i>
Fixed issue of the Private Banks (England and Wales) by the Act of 1844, . . . . .	£ 5,153,407
Deduct 21 Private Banks, since ceased to issue, . . . . .	330,919
Amount of Private Banks' issue, . . . . .	£ 4,822,488
Fixed issue of Joint-stock Banks, by same Act, . . . . .	£ 3,495,446
Deduct 6 Joint-stock Banks, since ceased to issue, . . . . .	85,459
Amount of Joint-stock Banks' issue, . . . . .	£ 3,409,987
Fixed issue of Private and Joint-stock Banks, . . . . .	£ 8,232,475

**PRESENT STATE OF THE FIXED ISSUES.**

1. Fixed issue in England and Wales, . . . . .	£ 8,232,475
2. " Bank of England, . . . . .	14,000,000
3. " Banks in Scotland, . . . . .	3,087,209
4. " Banks in Ireland, . . . . .	6,354,494

Fixed issue in the United Kingdom, at 7th October, 1848, . . . . . £ 31,674,178

**NUMBER OF BANKS OF ISSUE IN THE UNITED KINGDOM.**

	<i>At October 7, 1848.</i>
1 Bank of England in England and Wales, having . . . . .	14 Banks.
184 Private Banking Firms in England and Wales, having . . . . .	375 "
66 Joint-stock Banking Companies in England and Wales, having . . . . .	407 "
251 Firms and Companies in England and Wales, having . . . . .	796 Banks.
18 Joint-Stock Banking Companies in Scotland, having . . . . .	403 "
8 " " " in Ireland, having . . . . .	155 "
277 Firms and Companies in the United Kingdom, having . . . . .	1354 Banks.

## REDUCTION IN THE FIXED ISSUES IN ENGLAND AND WALES.

*The Maximum Circulation of the Private and Joint-Stock Banks was reduced at the under-mentioned dates, by the following Banks having ceased to issue their own Notes:—*

Date of last Return.	NAMES.	No. of Banks.	Amount.
Prior to the 12th Oct., 1844, when the Act came into operation.	1. Bristol Old Bank. — Baillie, Ames, & Co. . . . . Bank of Eng. Notes.	1	£ 89,540
	2. Bishop Waltham, Hampshire. — Gunner & Co. . . . . Ditto.	1	1,993
	3. Cambridge Bank. — Fisher & Sons. . . . . Ditto.	1	8,753
	4. Ditto. — Humphrey & Son. . . . . Closed, 1845.	1	2,615
	5. Margate Bank. — Cobb & Co. . . . . Bank of Eng. Notes.	1	9,996
	6. Oxford Univ. and City Bank. — Sir J. Locke & Co. . . . . Ditto.	1	15,706
	7. Staines Bank. — Thos. Ashley & Co. . . . . Ditto.	1	9,244
	8. Wrexham and N. Wales Bank. — R. M. Loyd. . . . . Ditto.	1	4,464
	1. Western District Joint-Stock Banking Company. Dissolved.	5	18,126
			£ 160,436
April 12, 1845	9. Whitby Bank. — Frankland & Wilkinson. . . . . York City and Cnty.	1	2,076
Sept. 13, "	2. Suffolk Joint-Stock Banking Company. . . . . Dissolved.	6	7,449
April 11, 1846	10. Dover Union Bank. — Latham & Co. . . . . Bankrupts.	1	9,577
July 4, "	3. Stockton & Durham County Joint-Stock Bank. . . . . Dissolved.	2	8,290
Oct. 10, "	11. Romsey & Hamp. Bank. — Wm. Footner & Sons. Bank of Eng. Notes.	1	3,875
Dec. 5, "	4. Leeds & West Riding Joint-Stock Banking Co. . . . . Dissolved.	2	18,937
May 29, 1847	5. Leeds Commercial Joint-Stock Bank. . . . . Ditto.	1	13,914
Oct. 9, "	12. Abingdon & Wantage. — Henry Knapp. . . . . Bankrupt.	2	29,316
"	13. Penzance Union Bk. — Ricketts, Enthoven & Co. . . . .	4	31,461
Oct. 16, "	14. Leek & Congleton. — Fowler, Gaunt, & Co. . . . . Bank of Eng. Notes.	2	4,009
Oct. 23, "	15. Salisbury & Fordingbridge Bk. — Brodie & Co. . . . . Bankrupts.	2	23,336
"	16. Shaftesbury & Hendon Bank. — Brodie & King. . . . . Closed.	2	9,813
Oct. 30, "	17. Shrewsb'y & Market Drayton. — Adams & Warren. Bankrupts.	2	9,700
"	18. Honiton Bank. — Flood & Lott. . . . . Ditto.	1	19,015
Nov. 6, "	19. Bridport Bank. — Gundry & Co. . . . . Ditto.	5	24,698
Nov. 27, "	20. St. Alban's & Herts Bank. — Gibson & Sturt. . . . . Closed.	1	2,333
July 29, 1848	21. Grantham Bank. — Kewney & King. . . . .	2	19,401
Oct. 7, "	22. Sheffield & Retford Bank. . . . . Closed.	2	18,744
Total Reduction in the Circulation, under Act 7 and 8 Vict. c. 32, to Oct. 7, 1848, .			£ 416,378
21 Private Banking Firms, having 34 Banks, . . . . .			£ 330,919
6 Joint-Stock Banking Companies, having 18 Banks, . . . . .			85,459
			£ 416,378

All banks of issue are still excluded from receiving accommodation, by discount or otherwise, from the Bank of England. There seems, however, to be a difference of opinion among the directors as to the propriety of continuing this exclusion. Mr. Morris thinks that under the Act of 1844, the rule may be relaxed:—

"Do you not refuse discounts to all banks of issue?—We have always refused discount accounts to banks issuing their own notes.

"Upon what ground?—The ground upon which I understand it has been refused is, that, previous to the Act of 1844, the bank made arrangements with certain joint-stock banks, to induce them to adopt the Bank of England circulation; and after the Act of 1844 had been passed, it was thought that it would be hard not to continue the same facilities to those banks which they had obtained from the bank before the passing of the Act; that arrangement having been made for our mutual convenience."

"It is, however, a complaint, that you have a stringent rule, by which you refused discounts or accommodation to all banks of issue?—I have no objection to state, speaking individually, that now that the Act of 1844 has been passed, I do not see any reason why they should not be placed on the same footing as the others; but the reason the court has not acceded to that, is in consequence of those parties having

worked with us at a period when it was useful to us that they should do so." (*Commons*, 2996 to 3000.)

But Mr. Cotton entertains different sentiments:—

"Can you inform the committee of the reasons why the Bank of England refuses accommodation to parties who issue notes?—There are, in my opinion, good reasons for that; those reasons appear in the following paper, which I have drawn up: 'Issuing banks, were the right of discounting conceded to them, would keep an insufficient reserve of their own notes, of Bank of England notes, or coin, perhaps none, relying on discounting with the bank on every demand, and most pressing on the bank when it was restricting its issues.—There are about 300 banks of issue in England and Wales, for all of which the bank would have to provide gold.—The measure would tend to frustrate one of the objects of Act 7 and 8 Vict. c. 32 (the ultimate establishment of a single bank of issue), by withdrawing a motive to banks of issue to adopt Bank of England circulation. It would give some ground of complaint to those bankers who have already abandoned their circulation, by placing their issuing competitors on a level with themselves as to discounting. It would, as respects Manchester and Liverpool, be inoperative, there being no banks of issue at those places. It would be difficult in times of pressure or adverse exchanges to control the discounts; and such contraction, if enforced, would be obnoxious to such issuing banks as had been in the habit of discounting. The banks would consider they had acquired a right to discounts, and would probably ascribe to the capricious action of the Bank of England any losses consequent on a necessary contraction of accommodation.'"—(*Commons*, 4312.)

*The Laws of the Currency with Reference to the Country Banks.*

These are thus stated in the article previously quoted, in the *Foreign and Colonial Review*:—

"It will readily occur to every reader, that the laws which regulate the circulation of these country banks must be different from those which regulate the London circulation of the Bank of England. They do not pay the public dividends; they cannot issue their notes in purchasing bullion, or Government stock, or Exchequer bills, as all these operations take place in London, where their notes do not circulate. They are also subject to certain restrictive laws to which the notes of the Bank of England are not subject. Their notes are not only legally payable on demand, but payment is constantly demanded; while no one demands payment of a Bank of England note, unless he has occasion to export the gold. There is also a system of exchanges between country bankers, by which all notes that are paid into any of the banks are immediately brought back for payment to the banks that issued them. It is the practice, too, throughout the country, to allow interest on deposits; and thus all notes not required for the actual wants of the community are promptly withdrawn from circulation, and lodged with a bank upon interest.

"On inspecting the monthly returns of the country circulation for the last ten years, we find that the highest amount is in the month of April; thence it descends, and arrives at the lowest point by the end of August, which is the lowest point in the year. It gradually increases to November; a slight reaction takes place in December; but it then advances, until it reaches the highest point in April. The general law is, that the country circulation always makes one circuit in the year; being at its lowest point in August, and advancing to December, and continuing to



advance to its highest point to the month of April, and then again descending to its lowest point in August.

"The laws which regulate the circulation of the country banks are derived from the state of trade in the respective districts in which the banks are established. As these banks are chiefly located in agricultural districts, the operations of agriculture have a very considerable influence in their regulation. Hence the advance in the spring, and the advance again after August, in consequence of the harvest. It is clear that the laws must be uniform in their operation, because the fluctuations of circulation in each year are uniform, and constantly recur with the return of the season. The slight reaction in December is probably occasioned by the collection of the public revenues and of landlords' rents in the country districts, and the general dulness of trade in that month.

"It may also be observed, that the issues of the joint-stock banks, and of the private banks, are subject to the same laws. The issues of both classes of banks rise together and fall together, and they have maintained nearly the same *relative* amount during the last seven years.

"The laws which regulate the annual fluctuations of the country circulation, that is, which determine the variations in the amounts of the country circulation, not within the year, but taking corresponding periods of different years, are also dependent on the state of trade in those years. If there be an increase of trade without an increase of prices, more notes will be required to circulate the increased quantity of commodities. If there be an increase of commodities, and also an advance of prices, a still larger amount of notes would be required. There are also other circumstances that may permanently affect the amount of the country circulation.

"During the last five years there has been a gradual reduction in the annual amount of the country circulation, as appears from the following Table, which shows the average amount in each year, from 1839 to 1843, both inclusive:—

1839, . . . . .	£ 11,715,527	1842, . . . . .	£ 8,249,052
1840, . . . . .	10,457,057	1843, . . . . .	7,667,916
1841, . . . . .	9,671,643		

"We attribute this extensive reduction in the country circulation to the following causes:—First, The great dulness of trade which has taken place in every part of the country. Secondly, The fall in the price of corn in connection with bad harvests. Thirdly, The introduction of the penny postage, and the system of registered letters. The uniform penny post was commenced on the 10th of January, 1840, and the registry of letters on the 6th of January, 1841. In consequence of these arrangements, every banker sends off every night, either to London or elsewhere, for payment, all the notes of other banks he may have received during the day, excepting those issued in the same town. This must have occasioned a large reduction in the amounts returned as notes in circulation. The amount in the hands of the public is the same, but the amount in the hands of other bankers is considerably reduced. Fourthly, The practice of keeping banking accounts has extended very much of late years. In-

stead of carrying notes in their pockets as formerly, people now lodge the notes with their banker, and make their payments by giving cheques on the bank. The facilities of travelling by railways and other means have also tended to diminish the amount of notes in circulation, and to cause them to be returned more rapidly for payment to the bankers. Fifthly, the circulation of the private bankers has been reduced by failures, and by merges into joint-stock banks; and, on the other hand, several joint-stock banks have withdrawn their own notes, and made arrangements for issuing the notes of the Bank of England."

*Note*—Such has been the demand for J. W. Gilbart's *Practical Treatise on Banking*, that a second edition of the New York reprint has already been issued by Mr. Geo. P. Putnam. We recommend our banking friends to procure a set of the following works, the cost of all which is only five dollars.

I. Gilbart's *Practical Treatise on Banking*, from the Fifth London Edition. This work embraces the most complete exhibit of the banking systems of Europe and the United States. 8vo. pp. 460. \$ 2.50.

II. J. R. McCulloch's *Essays on Money, Coins, Bullion, Interest, Exchange, &c.* First American Edition. 8vo. 75 cents.

III. Francis's *Chronicles of the Stock Exchange*. 8vo. pp. 144. 75 cents. "Mr. Francis has admirably fulfilled the title of his book."—*London Atlas*.

IV. *The Banker's Commonplace Book*. 50 cents.

V. *The Bankers' Almanac*. Second Edition. 8vo. pp. 120. 50 cts.

All these works will prove useful to bank officers of every grade, and may be read with profit by bank directors and bank stockholders.

## MISCELLANEOUS.

### RECEIPTS AND EXPENDITURES OF THE UNITED STATES, FROM 1ST JANUARY TO 31ST MARCH, 1851.

TREASURY DEPARTMENT, *Register's Office*, May 1, 1851.

#### RECEIPTS.

From customs, . . . . .	\$ 14,448,379.17
" sales of public lands, . . . . .	827,076.79
" loan of 1847 (treasury-notes funded), . . . . .	9,400.00
" miscellaneous sources, . . . . .	319,261.15
Total receipts, . . . . .	\$ 15,604,117.11

#### EXPENDITURES.

Civil, miscellaneous, and foreign intercourse, . . . . .	\$ 4,354,241.49
Department of Interior (Indian department and pensions), . . . . .	1,127,592.93
Army proper, &c., and fortifications, . . . . .	3,049,278.67
Navy, . . . . .	2,268,462.05
Interest, &c., on public debt and treasury-notes, . . . . .	7,996.16
Redemption of treasury-notes, . . . . .	9,600.00
Redemption of treasury-notes, per act 4th February, 1849, . . . . .	622.00
Total expenditures, . . . . .	\$ 10,847,698.60

These returns clearly indicate that the customs revenue for the year will largely exceed the estimates of the Treasury Department. It would not be surprising if the aggregate for the twelve months should amount to fifty millions of dollars.

VOL. I.

The following are the revenues of the United States for the first quarter of the current year, and third quarter of the fiscal year, comprising the months of January, February, and March, for several years:—

	<i>Miscellaneous.</i>	<i>Lands.</i>	<i>Customs.</i>	<i>Total.</i>
1844, . . . . .	\$ 105,294	\$ 449,338	\$ 6,675,336	\$ 7,229,968
1845, . . . . .	20,000	485,532	6,375,578	6,881,108
1846, . . . . .	11,646	437,226	7,360,000	7,808,870
1847, . . . . .	17,000	240,000	6,200,000	6,457,000
1849, . . . . .	66,500	589,566	8,174,698	8,830,664
1850, . . . . .	868,293	585,447	11,600,144	12,923,964
1851, . . . . .	319,351	827,077	14,448,379	15,594,816

The following is the revenue for three quarters from June 30, 1850, to March 31, 1851:—

	<i>Miscellaneous.</i>	<i>Lands.</i>	<i>Customs.</i>	<i>Total.</i>
Quarter ending September 30, . . . . .	\$ 495,264	\$ 317,023	\$ 14,764,642	\$ 15,566,929
" " December 31, . . . . .	59,400	533,668	8,910,240	9,503,128
" " March 31, . . . . .	319,351	827,077	14,448,379	15,644,737
Total three quarters 1851, . . . . .	\$ 803,945	1,677,683	38,123,662	40,664,250
Total three quarters 1850, . . . . .	297,999	1,383,263	24,645,215	26,326,564

**EMIGRATION RETURNS.**—The following returns, just issued by her Majesty's Colonial Land and Emigration Commissioners, show the annual emigration for twenty-six years, from 1825 to 1850, inclusive. It will be seen that during the last year, whilst emigration from the United Kingdom to the United States has increased by 3,628, and to other places by 2,183, as compared with the preceding year, there has been a falling off of emigrants to the Australian colonies of above one half, and to our North American possessions of one fifth, in the same period:—

<i>Year.</i>	<i>North American Colonies.</i>	<i>United States.</i>	<i>Australian Colonies and New Zealand.</i>	<i>All other Places.</i>	<i>Total.</i>
1825, . . . . .	8,741	5,561	486	114	14,891
1826, . . . . .	12,818	7,063	903	116	20,900
1827, . . . . .	12,648	14,526	715	114	28,003
1828, . . . . .	12,084	12,817	1,056	136	26,092
1829, . . . . .	12,307	15,678	2,016	197	31,196
1830, . . . . .	20,574	24,867	1,942	204	56,907
1831, . . . . .	58,067	22,418	1,561	114	83,160
1832, . . . . .	66,339	32,872	2,732	196	103,140
1833, . . . . .	28,808	29,109	4,062	517	62,527
1834, . . . . .	40,080	22,074	2,800	298	75,252
1835, . . . . .	15,573	26,720	1,960	226	44,478
1836, . . . . .	24,226	37,774	2,124	293	75,417
1837, . . . . .	29,894	26,770	5,064	289	72,034
1838, . . . . .	4,577	14,322	14,021	292	33,292
1839, . . . . .	12,658	23,536	15,786	227	62,207
1840, . . . . .	32,293	40,642	15,850	1,968	90,743
1841, . . . . .	26,164	45,117	22,626	2,796	118,599
1842, . . . . .	54,123	63,862	8,534	1,836	128,344
1843, . . . . .	23,518	28,336	2,478	1,981	57,212
1844, . . . . .	22,994	43,660	2,229	1,873	70,696
1845, . . . . .	31,803	58,536	830	2,330	93,501
1846, . . . . .	42,439	82,229	2,347	1,826	129,851
1847, . . . . .	109,690	142,154	4,949	1,487	258,270
1848, . . . . .	31,065	108,283	23,904	4,837	248,089
1849, . . . . .	41,367	219,450	32,001	6,690	299,498
1850, . . . . .	32,961	223,078	16,037	8,773	280,849
Total, . . . . .	841,701	1,493,326	201,322	20,694	2,566,023

— *London Paper.*

A NEWSPAPER PRINTED IN GOLD. — We are indebted to Mr. Simmons, of Oak Hall, who has just returned from a business visit to California, for a look at a copy of the *Alta Californian*, printed in gold, and designed for the Great Exhibition in London. The paper is white satin, printed on both sides, with some preparation of the real dust, so as to exhibit a gold face, rendering the paper a more emphatic illustration of the character and productions of El Dorado. — *Boston Transcript*.

## CENSUS OF THE UNITED STATES.

*Abstract from the Returns of the Seventh Census of the United States, being for the Year 1850.*

States.	White Population.	Free Col. Population.	Total Free.	Slaves.	Federal Rep. Population.	No. of Reps.	Fractions.
Alabama, . . .	426,515	2,250	428,765	342,804	634,501	7	*73,299
Arkansas, . . .	126,071	587	126,658	46,983	190,843	2	3,444
California, . . .	200,000	. . .	200,000	. . .	200,000	2	12,596
Connecticut, . . .	263,189	7,415	270,604	. . .	370,604	4	*69,498
Delaware, . . .	71,263	17,957	89,220	2,289	90,612	1	. . .
Florida, . . .	47,120	926	48,046	39,341	71,640	1	. . .
Georgia, . . .	513,083	2,586	515,669	362,966	733,448	8	*77,534
Indiana, . . .	983,634	5,100	988,734	. . .	988,734	11	*51,714
Illinois, . . .	863,069	5,239	868,298	. . .	868,298	9	14,990
Iowa, . . .	191,830	292	192,122	. . .	192,122	2	4,718
Kentucky, . . .	770,061	9,667	779,728	221,768	912,788	10	*69,470
Louisiana, . . .	264,271	15,686	269,956	230,907	408,440	4	33,638
Maine, . . .	581,920	1,312	583,232	. . .	583,232	6	21,080
Massachusetts, . . .	985,498	8,773	994,271	. . .	994,271	11	*67,261
Maryland, . . .	418,763	73,943	492,706	89,800	546,586	6	*78,076
Mississippi, . . .	291,636	899	292,434	300,419	472,685	5	4,175
Michigan, . . .	393,166	2,547	395,703	. . .	395,703	4	20,995
Missouri, . . .	592,176	2,667	594,843	89,289	648,416	7	*66,204
New Hampshire, . . .	317,264	477	317,831	. . .	317,831	3	36,726
New York, . . .	3,042,674	47,448	3,090,122	. . .	3,090,122	23	*91,568
New Jersey, . . .	486,283	22,209	488,552	119	488,623	5	20,113
North Carolina,† . . .	552,477	27,271	580,458	268,412	753,606	8	3,889
Ohio, . . .	1,961,101	25,930	1,977,031	. . .	1,977,031	21	9,299
Pennsylvania, . . .	2,268,480	53,201	2,311,681	. . .	2,311,681	26	*62,833
Rhode Island, . . .	144,012	3,543	147,555	. . .	147,555	2	*63,863
South Carolina, . . .	274,776	8,769	283,544	264,925	514,499	5	45,999
Tennessee, . . .	787,219	6,260	773,599	249,519	923,310	10	*69,992
Texas, . . .	133,121	926	134,067	53,346	166,064	2	*72,362
Vermont, . . .	312,756	710	313,466	. . .	313,466	3	32,360
Virginia, . . .	894,149	52,906	948,055	473,026	1,231,870	13	13,744
Wisconsin, . . .	303,600	626	304,226	. . .	304,226	3	23,120
	19,517,886	409,300	19,927,086	3,175,902	21,832,621	223	
<b>Territories.</b>							
District of Columbia, . . .	38,027	9,973	48,000	3,687	. . .		
Minnesota, . . .	6,193	. . .	6,193	. . .	. . .		
New Mexico, . . .	61,632	. . .	61,632	. . .	. . .		
Oregon, . . .	20,000	. . .	20,000	. . .	. . .		
Utah, . . .	25,000	. . .	25,000	. . .	. . .		
	19,688,728	419,173	20,097,909	3,179,589	21,832,621		

\* The aggregate *Representatives* population gives, as the nearest approximate ratio for 223 members (the number fixed by law), a ratio of 93,702; but this ratio gives only 220 members, leaving the remaining thirteen to be assigned to the States having the largest residuary fractions. The States which thus gain a member are designated in the above table by a \*.

† Including 710 Indians.

## Recapitulation.

	Total Free Population.	Slaves.	Representative Population.
Free States, . . . . .	13,533,328	119	13,533,399
Slaveholding States, . . . . .	6,393,758	3,175,783	8,299,296
District and Territories, . . . . .	160,824	3,687	. . . . .
	20,087,909	3,179,599	21,832,625
Total free population, . . . . .			20,087,909
Total slaves, . . . . .			3,179,596
			23,267,498
Ratio of Representation, . . . . .			93,702

CUSTOMS RECEIPTS OF THE UNITED STATES. — The *Washington Republic* publishes the following table, showing the receipts at the custom-houses of the United States, exclusive of California and Oregon, for the past eleven months of the fiscal year : —

From July 1, 1849, to March 31, 1850, . . . . .	\$ 29,819,848
In April and May, 1850, . . . . .	6,798,642
	\$ 26,618,490
From July 1, 1850, to March 31, 1851, . . . . .	\$ 36,737,486
In April and May, 1851, . . . . .	7,611,577
	44,349,063
Increase, . . . . .	\$ 7,730,573

MEXICAN COINAGE. — According to the report presented to the Mexican Congress by the Minister of Finance last year, it appears that, in the eighteen months from the 1st of January, 1848, to the 30th of June, 1849, the total amount of gold and silver coined in the mints, without including that of Hermosillo, in which none was coined during that period, was as follows : —

	Gold	Silver.	Total.
Chihuahua, . . . . .		\$ 332,208	\$ 332,208
Guadalajara, . . . . .	\$ 21,652	938,990	960,642
Guadalupe y Calvo, . . . . .		1,045,185	1,045,185
Guanajuato, . . . . .	861,480	10,661,600	11,523,080
Mexico, . . . . .	125,920	2,430,778	2,556,698
San Luis Potosi, . . . . .		2,052,268	2,052,268
Zacatecas, . . . . .		7,129,920	7,129,920
Durango, . . . . .	25,057	1,483,569	1,508,326
Culiacan, . . . . .	317,307	929,571	1,246,878
Total, . . . . .	\$ 1,351,416	\$ 27,003,959	\$ 28,355,405

Adding now to this sum nine or ten millions of dollars for the six or six and a half millions that, according to certain data, are left uncoined, and which in virtue of permission are fraudulently exported, the result is, the whole amount extracted during the period above cited exceeds \$ 38,000,000.

THE LONDON MONEY MARKET. — Of the English money market, the correspondent of the *National Intelligencer* (who has most ample means of ascertaining its condition) says : —

"City business is steady, without being remarkably active; it is more sound than speculative, more free from absolute loss than productive of exorbitant profit. The money market is without alteration, but there is a general apprehension that money will be dearer. The Bank Parlor is looked to every week with considerable interest, and, as that institution objects to lend money for long periods at the present rate, an advance of the price of discount is generally looked for. Money has been in considerable demand upon the Stock Exchange, and prices there, although not quotably lower, can scarcely be described as being firm. The railway market has been and is heavily depressed, chiefly owing to many forced sales. The bank returns are satisfactory; the circulation has decreased £ 229,485, the public deposits have increased £ 392,100,

the private deposits diminished £599,860. The government securities have diminished £518,740, the private securities increased £67,735. The bullion has increased £18,060. The only peculiarity in the return is the diminution of government securities, which seems to indicate the desire of the bank to limit the circulation and check the drain of gold. This latter effect, it will be observed, has been obtained by a trifling increase in the quantity of bullion."

#### DEPOSITS AND COINAGE OF THE MINT AT PHILADELPHIA, MAY, 1851.

##### Deposits.

Gold — From California, . . . . .	\$ 3,205,600
" other sources, . . . . .	65,600
Silver, . . . . .	14,800
Total deposits, . . . . .	\$ 3,285,000

##### Coinage for May, 1851.

Gold — Double Eagles, . . . . .	86,747 pieces, or	\$ 1,734,940
Eagles, . . . . .	26,895 " "	268,950
Half-Eagles, . . . . .	43,000 " "	215,000
Quarter-Eagles, . . . . .	234,676 " "	561,690
Dollars, . . . . .	422,662 " "	422,662
		\$ 3,201,262
Silver — Three Cents, . . . . .	1,264,600 " "	37,638
Copper — Cents, . . . . .	969,900 " "	9,699
Total coinage, . . . . .		\$ 3,248,599

The coinage in *pieces*, during this month, is believed to have exceeded any ever before executed at the mint within the same time. Of the smaller gold coins, a large amount has been accumulated beyond the demands of the depositors.

The coinage for May, as above, amounts to \$3,248,599, which, added to the previous coinage this year, \$17,311,008, makes a total, from January 1 to May 31, of \$20,559,607. The annexed table will show the coinage in each month since the 1st of January:—

	Gold.	Silver.	Three Cents.	Copper.	Total.
January, . . . . .	\$ 2,620,966	\$ 76,960	. . . .	\$ 7,277	\$ 2,705,193
February, . . . . .	5,082,987	15,600	. . . .	16,861	5,115,348
March, . . . . .	6,265,735	6,400	. . . .	6,537	6,298,672
April, . . . . .	3,176,068	2,400	. . . .	13,337	3,191,795
May, . . . . .	3,201,262	. . . .	\$ 37,638	9,699	3,248,599
Totals, . . . . .	\$ 20,367,008	\$ 101,260	\$ 37,638	\$ 53,711	\$ 20,559,607

The deposits of California gold dust during the month of May amount to \$3,205,600, making, with previous receipts this year, a total of \$16,425,100. Annexed are the deposits in each of the past five months:—

	Cal. Gold.	Other Gold.	Silver.	Total.
January, . . . . .	\$ 4,940,000	\$ 60,000	. . . .	\$ 5,000,000
February, . . . . .	2,880,000	140,000	\$ 7,700	3,007,700
March, . . . . .	2,634,000	37,000	8,400	2,679,400
April, . . . . .	2,785,600	75,000	18,000	2,878,600
May, . . . . .	3,205,600	66,600	14,800	3,286,000
Totals, . . . . .	\$ 16,425,100	\$ 377,600	\$ 48,900	\$ 16,851,600

**THE MINT AND THE SMALL GOLD COINAGE.**—The *Philadelphia North American* publishes an article defending the United States Mint from strictures which have been made against it, for its disproportionate issue of large denominations of gold coins. If there is a disproportion, it is owing to the law which requires the wishes of the depositors of the gold to be consulted on the subject, and not to the officers of the mint. The *American* says:—

"If the mint were to refuse compliance with the wishes of its depositors in regard to the kind of coin issued, it would indeed be subject to censure. But it does not do so,

and has never done so, except under circumstances of extraordinary exigency, such as have already been referred to. We are informed that, of the coin which has been supposed most in request by the public, namely, the gold dollar, there is now a surplus of over \$ 250,000 in the mint treasury, beyond all demands. Of the quarter-eagle, \$ 400,000 worth have lately been transferred to the Assistant Treasury, as not being required in the mint.

"Considering these facts, it would seem that, even if the amount of small gold coinage had really been diminished, yet as long as the mint complies with the 'wishes of the depositor' in regard to the denominations of coin paid out, it is neither legally nor justly blamable. In point of fact, however, it will be found that not only has this small coinage been very greatly increased, of late years, but the proportion of it to the whole amount issued is larger than ever before.

"Dismissing the subject of the gold coinage, a few words may be added respecting that of silver. Among other subjects of censure against the mint, it has been charged with an instrumentality in causing the scarcity of silver coin. Upon this point it is only necessary to remark, that the mint promptly coins all the silver which it receives, and if the value issued is small, so is that received."

**ENGLISH PENNY BANKS.**—It is satisfactory to find that the penny bank is taking such solid hold of the public, for whose special advantage it is designed. More than a dozen, we believe, of these most useful establishments are now in full operation; and the number of depositors is counted already by tens of thousands. The first experiment was tried in Commercial Street, Whitechapel, and with the following gratifying results. The institution was opened on the 30th of January, in the present year; in the two hundred and twenty-seven days which had elapsed on the 15th instant, 49,516 deposits had been made by 7,852 different persons, and the whole of their savings in these eight and a half months amounted to £2,017. In every respect the issue of this experiment is interesting and encouraging. It will be seen that the average of each deposit is somewhat under tenpence,—one of the small sums which are so easily spent by the working classes. A pot or two of beer, and it is all gone. Who shall estimate the virtues to which this habit of self-denial may give rise? It is pleasing also to find so large a number of depositors in one neighborhood. One would have thought that 8,000 savers among the most improvident classes of society must be sought over a large space. Strongly as we urged a trial of the penny bank in the neglected districts of London, we must confess we were not prepared to find its success so rapid and complete as the statement of the Whitechapel Directors makes it appear. Those who were waiting for some tangible results on which to base their operations in the same line, may take courage from this example, and begin. — *London Athenæum*, September, 1850.

#### NOTICES OF NEW BOOKS.

I. *Exchange Tables. Tables of Sterling Exchange, in which are shown the Value of a Sterling Bill, in Federal Money, for any Amount from £1 to £10,000, at every Rate of Premium, from one eighth of one per cent. to twelve and a half per cent., by Eighthths; and also how to invest any amount of Federal Money from \$1 to \$10,000 in a Sterling Bill at the same Rates of Premium.* By George Oates, Author of "Six and Seven Per Cent. No Plus Ultra Interest Tables," and "Five Per Cent. Sterling Interest Tables." This is a royal octavo volume, of 207 pages, containing a series of tables exhibiting the value of any sum in sterling money, reduced to dollars and cents, at every rate of premium ranging from one eighth of one per cent. to twelve and a half per cent. They also show the value of any sum in federal money converted into sterling at similar rates of premium. Great simplicity and clearness distinguish these tables, and render them exceedingly valuable to bankers and merchants. Mr. Oates, the author, is a resident of Charleston, S. C., and already well known as the author of several publications of much value to mercantile men. The volume of Exchange Tables is very neatly printed with clear type, fine paper, and substantially bound. Published by Appleton and Co., New York. Price \$3.

II. *First Impressions of England and its People.* By Hugh Miller, Author of the "Footprints of the Creator," "The Old Red Sandstone," &c. Published by Gould and Lincoln, Boston. 12mo. pp. 430. This is a curious and philosophical view of many topics suggested in a journey through England, by one whose habits of study and tastes have led him to examine the beauties and wonders of God's creative skill. His views are both comprehensive and philanthropic. His "journeys by moonlight," and "travels by the wayside," make us somewhat familiar with the habits of the English people in private life; and with scenes and characters which the mere railroad traveller does not witness. The author is already favorably known as the celebrated Scotch geologist, and author of two remarkable

publications that have been printed in the United States, entitled "Footprints of the Creator," and "The Old Red Sandstone." The "First Impressions" are the result of an English tour, undertaken for purposes of relaxation, and exhibit great minuteness of observation, soundness of criticism, and genial piety, on the part of the author.

III. *Silliman's American Journal of Science and the Arts*. Published every second month, under the editorial management of Professor B. Silliman, Sen., Professor B. Silliman, Jr., and James D. Dana, aided in the departments of Chemistry and Physics by Dr. Wolcott Gibbs. Two large volumes annually. \$5. We have taken frequent occasion to remind our scientific readers of this able journal of science. It is a work which reflects high honor upon the projector and his present collaborators, while at the same time it reflects credit upon the country which so liberally sustains it. In the July No. now issued, will be found several valuable communications from J. H. Alexander (of Baltimore, Md.), W. P. Blake, Dr. Lawrence Smith, Professor Faraday, Dr. Charles T. Jackson, George P. Bond (of Cambridge), Professor Peirce, and numerous other gentlemen of celebrity as writers. To these communications is added recent information upon chemistry and physics, geology, zoology, astronomy, bibliography, &c. We refer our readers to the advertisement of the journal on the cover of the *Bankers' Magazine*.

IV. *The Farmers' Guide to Scientific and Practical Agriculture*. By Henry Stephens, F. R. S. E., and John P. Norton, Professor of Scientific Agriculture in Yale College. This work is now completed, from the press of Messrs. Leonard Scott and Co., New York, forming 22 Nos. of 64 pages each, or two large volumes of nearly fourteen pages, in double columns, embellished by twenty engravings on steel, and six hundred wood engravings in the highest style of the art. The additions by the American editor render the work very attractive to our practical and scientific men, because it embodies the most recent and valuable contributions upon the subject, both in Europe and in the various States of the Union.

V. *The North British Review*, No. 29, May, 1851. This work forms the fourth of the series republished by Leonard Scott and Co., New York. These Reviews are carefully printed from the original copies, and generally issued in about one week after their reception in this country. The subjects of the *North British Review* are,—I. France since 1843. II. Forms of Infidelity in the Nineteenth Century. III. Dickens and Thackeray. IV. Recent Extensions of Formal Logic. V. Autobiography of the Rev. William Walford. VI. Recent Experiments in Animal Magnetism. VII. Statistics of Public Libraries. VIII. Life of Carnot, by Arago. IX. The Supply of Water for London,—Sanitary Condition of the Metropolis. X. Royal Supremacy and Papal Aggression. The first article in this No. deserves careful reading by our own citizens.

VI. *De Bow's Review of the Southern and Western States; a Monthly Industrial and Literary Journal*. Published and edited by J. D. De Bow, Professor of Political Economy in the University of Louisiana. This work has now reached its tenth volume, and may be considered as the most valuable and reliable exponent of the condition of the commerce, agriculture, manufactures, internal improvements, statistics, &c., of the Southern and Western States. The Nos. for the current year are accompanied by fine engravings of John G. Winter, Esq., of Georgia; C. Le Baron, Esq., of Mobile; Daniel Pratt, of Alabama; Henry W. Conner, Esq., of Charleston, S. C.; Charles T. James, of Rhode Island; and eminent merchants of the South. For further details, refer to our advertising pages. Monthly. \$5 per annum.

VII. *Appleton's Mechanics' Magazine and Engineers' Journal*. Edited by Julius W. Adams, Chief Engineer, New York. This work has now reached its sixth No.; and more than realizes the expectations formed at its first appearance. The original communications are by writers of eminent talent. The work is profusely embellished by engravings, to illustrate the machinery so fully described in its pages.

VIII. *Europe. Past and Present: a comprehensive Manual of European Geography and History; with separate Descriptions and Statistics of each State, to facilitate References to every essential Fact in the History and present State of Europe*. By Francis H. Ungewetter, LL. D. 8vo. 700 pages. Geo. P. Putnam, New York. This work forms part of a series of valuable and standard volumes of reference, issued by Mr. G. P. Putnam. The great value of such a work depends mainly upon its authenticity and accuracy. The present volume is derived from such materials, and the author is enabled to compile from the official annual almanacs of various European countries, and from the census returns of numerous governments, information of much value, which is now presented in a concentrated form, particularly in reference to special, geographical, and historical descriptions. The index annexed to the work contains nearly ten thousand names, which the compiler very justly says will enable his readers to find readily any essential fact connected with European geography or history. This work possesses great value for public libraries and the student. It will be found to embrace essential details relating to the area and population, surface, soil, natural products, manufactures, commerce and trade, public finances, form of government, army and navy, history, and topography of fifty-six different states of Europe.

WELLS AND CO., SAN FRANCISCO.—It has been a matter for surprise, and a subject of comment among many, how the building of Messrs. Wells and Co., so well built, and supposed so completely fire-proof, was among those destroyed in the conflagration of May 4. Trusting in the perfect security of the house, most of the occupants preferred not removing any of their goods, and Messrs. Cooke and LeConte, besides not removing a single article of merchandise, received many valuable things into their store for safety. They would certainly have neither left their own, nor received other things, had it not been for the perfect confidence they had in their security. The building will be replaced immediately, and in six weeks it will be occupied. The work will commence as soon as Mr. Wells is sufficiently recovered to superintend its construction. — *Alta Californian*, May 13th, 1851.



## BANK ITEMS.

**VERMONT.**— We learn that four or five thousand shares of stock in the White River Bank, at Bethel, Vermont, have been subscribed for. The whole number of shares allowed by the charter is fifteen hundred.

**MASSACHUSETTS.**— The following Boston banks have increased their capital stock, under recent acts of the legislature; viz. The Bank of Commerce, \$750,000; The Traders' Bank, \$200,000; The Boylston Bank, \$50,000; the Shoe and Leather Dealers' Bank, \$250,000; making together \$1,250,000. The following will be paid on or before October 1:— Exchange Bank, \$500,000; Cochituate Bank, \$100,000; Granite Bank, \$250,000; Freeman's Bank, \$50,000. The new stock will receive, in October, a *pro rata* dividend only, according to the time when it shall have been paid in.

*Cochituate Bank.*— This bank has hitherto been located in the basement of the United States Hotel, Beach Street. Under a recent act of the legislature the bank has now removed to the corner of Washington and Summer Streets, a position much more favorable than the former for the accumulation of deposits. The new capital authorized will be probably paid before October next.

*Merchants' Bank, New Bedford.*— This bank has, within nine months, declared three dividends amounting to seventeen per cent.

*Marine Bank, New Bedford.*— At a meeting of the stockholders of this institution, a dividend of six per cent. was declared, payable to the holders of the old stock. The new stock, under the act of the last legislature, has all been subscribed for. A committee was appointed to present to Hon. Joseph Grinnell, in the name of the stockholders, a suitable testimonial of their regard and appreciation of his services as President of the institution.

**CONNECTICUT.**— The capital of the Farmers' Bank at Bridgeport has been increased to \$200,000.

*Report of the Bank Commissioners.*— The commissioners assert that some few cashiers have not been as particular in their returns as they could have wished, but as the gentlemen say that they varied somewhat their questions from those asked by their predecessors, the neglect of such cashiers may have arisen from the novelty of the question asked, and not from any wish to conceal the actual state of the bank. Indeed, the commissioners say that every facility was given to them to perform their duties, in their visit to each bank, and that the officers and cashiers invited rather than shunned the strictest scrutiny.

The whole amount of banking capital in the State, April 1, 1851, was \$10,575,657.50  
 Whole amount of surplus funds, . . . . . 892,476.11  
 Whole amount of deposits, . . . . . 2,707,956.38

Amount, . . . . . \$14,176,089.99

It is stated that large amounts are loaned out of the State. This, we think, cannot be objected to, provided it is done on good security, and no paper of our own citizens, with sufficient security, is thrown out.

The Report recommends the "Suffolk Bank system" of redemption as a great security to the public against the danger of over-issues. The custom of receiving usurious interest by way of *exchange* is complained of. It is stated that such exchange is charged upon the banks against the applicant for a discount, whether he receives New York funds or not. The commissioners complain of the law which allows banks to loan upon deposits, as an indefinite increase of capital. They recommend an alteration of the law in this respect.

Upon the whole, they look upon the present condition of the forty-one banks as eminently prosperous, and assert that their future soundness will depend upon their keeping within the legitimate sphere of operations contemplated by the power which created them.

**NEW YORK.**— Charles Fink, Esq., was on the 3d day of June elected Cashier of the Chatham Bank, Chatham Square, New York.

*North River Bank.*—The North River Bank has changed its directory. The new Directors are Moses Taylor, Auguste Belmont, M. O. Roberts, Henry Suydam, Jr., Cornelius V. B. Ostrander, J. Hoyt, John D. Johnson, Charles A. Heckscher, George Tredwell, Matthew Armstrong, James S. Thayer, B. C. Webster, Charles J. Richards. The new President is M. O. Roberts; Aaron B. Hayes, Esq., formerly Cashier of the bank, and latterly Cashier of the new Chatham Bank, has been reinstated as Cashier of the North River Bank.

*Bank of the Republic.*—This bank, which is to be erected on the northeast corner of Broadway and Wall Street, will be an elegant structure. The foundations are partly laid, and it is expected the whole will be completed by the 1st of October. It will be five stories high, exclusive of the basement. The corner will be circular, and arranged to form a spacious entrance, twelve feet in width, to which access will be had by means of a flight of steps, twenty feet wide at the base. The doorway will be surmounted by an arched pediment, with a frieze of sculptured scroll-work. Beneath this will be a slab inscribed with the name of the bank. The whole will be supported by massive ornamental trusses, springing from pilasters. The stone-work, facing the first story, will be rusticated, with semicircular window-heads, and sculptured key-stones. The latter support a cornice extending around the entire front. From this, pilasters are erected, running to the top of the fourth-story windows. These are surmounted by lintels, supported by carved brackets. All the corners are finished with quoins. The style is denominated the Italian. The entrance to the bank will be closed by sliding iron doors. The estimated cost of the structure is \$50,000. Hurry & Rogers are the architects. — *New York Journal of Commerce.*

*Wall Street.*—A number of important improvements are to be made in Wall Street, chiefly consisting of banking and insurance houses. On the northeast corner of Wall and Pearl Streets, an old four-story building has given place to an elegant structure now going up, for the Seaman's Savings Bank; which will be five stories in height, fronted with stone, and extending thirty feet on Wall and fifty-three feet on Pearl Streets. It will be built in the Italian style.

On the southwest corner of Wall and William Streets, the Atlantic and Sun Mutual Insurance Companies have purchased the Mesier estate and the Furman property, with two adjoining lots on William Street, for the sum of \$350,000. The ground included in this purchase measures eighty feet on Wall Street, and ninety-one on William Street. The old buildings have been demolished, and the new structure will be completed by February, 1852. The main office, to be termed the Insurance Buildings, will front on Wall Street fifty-eight feet, and ninety-one feet on William Street. The style of architecture will be the Italian. The corner office on the first story will be occupied by the Atlantic Company, the opposite side of the main entrance being designed for the Sun Mutual. The remaining twenty-two feet will be occupied by Beebe, Ludlow, & Co., the lessees of the Mesier Building. The upper floors are designed for offices. The structure will cost about \$100,000. The amount expended on this improvement will therefore be nearly \$450,000.

On the southwest corner of Wall and Broad Streets, an old building has been demolished, and will be replaced by a structure of six stories, to be known as the Telegraph Building. It will be occupied by several Telegraph Companies; the upper floors being arranged for the preparation of chemicals and the receipt and delivery of despatches. The property is owned by John Glover, and is leased by Jacob R. Halsted. — *New York Tribune.*

*The Bank of New York, Wall Street,* has erected a handsome four-story building in the rear of its banking-house. The new building fronts on William Street, and is faced with Portland stone. It matches well with the Leather Bank building opposite. It will pay a good rent, which will be nearly a clear gain to the bank. — *Ibid.*

*Schenectady.*—Nicholas Swits, Esq., was on the 28th of May last elected Cashier of the Mohawk Bank.

*Saratoga County.*—The Farmer's Bank of Saratoga County is the name given to a new bank to be formed and located at Half-moon Village, with a capital of \$100,000.

**NEW JERSEY.**—We learn from the *True American*, that the Secretary of State has issued a certificate of the deposit of the evidences of \$50,000 of public stocks, for the establishment of "The Merchants' Bank" at May's Landing, in Atlantic County.

This makes the fourth bank established under the general banking law, — three of which are located in Ocean, and one in Atlantic County. These banks have the privilege of increasing their capital to \$ 350,000 by deposits of the requisite security.

We find that in New Jersey the following seven banks have been established within two months: —

Ocean Bank at Bergen Iron Works, . . . . .	Capital \$ 50,000
Delaware and Hudson Bank at Tom's River, . . . . .	" 50,000
Union Bank at Tom's River, . . . . .	" 50,000
Merchant's Bank at May's Landing, . . . . .	" 50,000
Atlantic Bank at Cape May Court House, . . . . .	" 50,000
Atlantic Bank at May's Landing, . . . . .	" 100,000
Farmers' Bank at Freehold, . . . . .	" 50,000
Total Capital, . . . . .	\$ 400,000

*New Banks.* — The banks established, — or at least most of them, — instead of being legitimate institutions of discount as well as of issue, are simply manufactories of paper money for the benefit of their owners residing in other States; having no affinities here, and of no advantage to New Jersey, save in the amount of tax upon their capitals that may be paid into the State treasury; and it is questionable whether that is not more than counterbalanced to the people of the State by the loss they sustain in the discount upon the notes passing through their hands. As the profit to the owners depends entirely upon the "depreciation" and "circulation" of their notes, it becomes, of course, desirable that the banks should be ostensibly located in places difficult of access, so that no one will be disposed readily to apply at their counters (if they should perchance have offices) for the specie or its equivalent; and the more distant and out of the way the greater the discount they will bear, and the greater the accruing profit. And to extend their circulation, nothing is easier than to adopt the name and general appearance of the bills of some well-known bank in good credit, keeping the place of issue as much in the background as possible, — for example, locating a "Delaware and Hudson Bank" amid the sands and pines of Ocean County, — making the title very prominent, but having the place quite the reverse, so that the inexperienced are readily induced to receive the notes. — *Newark Daily Advertiser.*

**MARYLAND.** — During the trial of E. Collier, the late Cashier of the defunct *Havre de Grace Bank*, at Elkton, in June, 1851, Richard Grason, counsel for the prosecution, stated that, on the 28th of August last, the resources of the bank amounted to \$28,842.32, while its liabilities were \$136,050, leaving a deficit of \$107,207.68, which amount Mr. Collier was charged with embezzling. Mr. Constable, for the defence, contended that all the operations of the bank were fictitious, — that the funds soon after they were paid in by the stockholders were returned to them in New York, where all the money belonging to the concern was kept, so that there was nothing left for Collier to steal. The jury acquitted Mr. Collier of the fraud against the institution, but if what his counsel stated be true, somebody ought to be indicted for a fraud upon the public.

**VIRGINIA.** — We find that the circulation of the Virginia banks is gradually expanding, to meet the increased demands of trade, and promising larger dividends to the stockholders. The Bank of Virginia exhibits the following items for April, 1850, and April, 1851: —

Capital, . . . . .	April, 1850, \$ 2,550,870	April, 1851, \$ 2,580,900
Circulation, . . . . .	" 2,060,000	" 2,238,000
Loans, . . . . .	" 4,532,000	" 4,900,000
Specie, . . . . .	" 815,000	" 874,000

**NORTH CAROLINA.** — The Bank of Wadesborough, Anson County, North Carolina, has commenced business under a charter granted at the last session of the legislature of that State. Capital, \$ 200,000. President, W. R. Leak, Esq. Cashier, Hampton B. Hammond, Esq.

**KENTUCKY.** — Books of subscription to the new stock of the Farmer's Bank of Kentucky were opened in June, at New York, under the direction of William B. Robbins, Esq. About \$ 150,000 have been subscribed.

**NEW ORLEANS.** — George A. Freret, Esq., was, on the 31st of May, elected Cashier of the Union Bank of Louisiana, in place of Frederick Frey, Esq., deceased.

OHIO. — The Springfield Bank will commence operations, July 1, under the free bank law. President, Oliver Clark; Cashier, William M. Green. The capital will be \$100,000, of which \$60,000 is now paid in. \$75,000 State bonds have been deposited with the Comptroller by the bank, as collateral security for the circulation.

MICHIGAN. — On the 27th of May last, Elisha C. Litchfield, Esq., was elected President of the Farmers and Mechanics' Bank at Detroit. Powers L. Green, Esq., was then elected Cashier, in place of Mr. Litchfield.

ILLINOIS. — *Commercial Exchange Company, at Chicago.* — This company, formed for the purpose of doing a general banking and exchange business, was fully organized on the 25th instant, and the following gentlemen were elected Directors: — Henry Moore, L. Cook, J. S. Newhouse, P. Eddy, and James Long.

At a subsequent meeting of the Directors, Henry Moore was chosen President, and A. Gilbert appointed Secretary.

CANADA. — It is said that a branch of the Bank of Upper Canada is about to be established in the Upper Town of this city. — *Quebec Gazette.*

## Notes on the Money Market.

BOSTON, 24TH JUNE, 1851.

*Exchange on London, 60 days, 110½ to 111.*

THERE has been a continued reduction in the rates for money during the last three months. The market at present may be termed quite easy. Negotiations with private capitalists occur daily at six per cent. interest per annum; while business paper of a second-rate character ranges from seven to eight per cent. At New York the rates are somewhat less, — loans at call being common at 5 to 5½ per cent. The banks of both cities are extending their business gradually, with the aid of increased capital and circulation.

The intelligence from San Francisco furnishes details of the great fire in that place on the 4th of May last. We regret to record the severe losses sustained by the bankers established there, viz. Messrs. Wells & Co., Messrs. Page, Bacon, & Co., and Mr. Davidson, agent of Rothschilds. Their banking-houses were entirely destroyed, but fortunately the books, papers, and treasures of the firms were secured from damage, and business was promptly resumed by all these parties, without any inconvenience resulting to their customers.

The effect upon the Boston and New York market is a temporary depression; but the losses are generally so distributed that they do not fall with such severity on Eastern firms as to occasion any suspensions.

Among the important negotiations of the month has been the sale of \$350,000 in bonds of the Seaboard and Roanoke Railroad Company, bearing seven per cent. interest. The accepted bids ranged from \$7.51 to 90.20. There were also bids to the amount of \$258,000 beyond the amount required. These bonds are secured by a mortgage held upon the road and its appurtenances, in the hands of Mr. John J. Palmers, as trustee.

A sale of \$900,000 Panama Railroad Company bonds was effected on the 14th instant, at par. These are likewise seven per cent. bonds, and are considered an excellent investment.

The new stock of the Farmers' Bank of Kentucky has been offered in the New York market. About \$150,000 has thus far been taken, out of the \$500,000 authorized, through the agency of W. B. Robbins, Esq., the special agent of the bank. Transfer books will be kept in the city of New York for this stock, and the dividends to Eastern stockholders will be payable there.

Of the bank capital authorized to the banks in Boston, the following have been paid: —

Bank of Commerce, . . . . .	\$ 750,000
Traders' Bank, . . . . .	200,000
Shoe and Leather Dealers' Bank, . . . . .	250,000
Boylston Bank, . . . . .	50,000
	<hr/> \$ 1,250,000

And the following will be paid at the times stated, viz:—

Exchange Bank, July 15,	500,000
Granite Bank, on or before October 1,	250,000
Cochituate Bank, " . . . . .	100,000
Freeman's Bank, " . . . . .	50,000
	<hr/> \$ 900,000

Of the additional capital authorized to the country banks of Massachusetts, the following are ascertained to be paid:— Fall River Bank, \$ 50,000; Merchants' Bank, New Bedford, \$ 80,000; Worcester Bank, \$ 50,000; Adams Bank, \$ 25,000; Prescott Bank, \$ 25,000; Rollstone Bank, \$ 100,000; Mechanics' Bank, Worcester, \$ 75,000; Tradesmen's Bank, \$ 50,000; Laighton Bank, \$ 50,000.

The following remain to be paid:— Adams Bank (balance), \$ 25,000, October 1. Bay State Bank, \$ 100,000, October 1; \$ 100,000, April 1, 1852. Lee Bank, \$ 50,000, July 28. Prescott Bank, \$ 25,000, September 1. Merchants' Bank, New Bedford, \$ 60,000, July 16, and \$ 60,000, August 13. Mechanics' Bank, Worcester, \$ 75,000, October 1; Lancaster Bank, \$ 25,000, July 7.

No less than seven new banks have been established within eight weeks, under the general banking law of New Jersey. These are all small concerns, with extremely limited capital, and generally believed to be controlled or owned by capitalists in Wall Street.

A bill was introduced into the legislature of Connecticut, at its present session, authorizing the business of banking under a general law, as adopted in other States. The proposition has been defeated in both houses. In the lower house by a vote of 127 to 93, and afterwards in the Senate by a vote of 11 to 9. There are now numerous applications before the legislature of that State, for the incorporation of new banks, and for the extension of former charters and increase of capital. The late annual report of the Bank Commissioners of the State represents the banks as all in a sound condition and doing a profitable business.

A decline of 25 to 33½ per cent. has been experienced in the prices of cotton since January last, which has resulted in the stoppage of two or three firms in Liverpool, and several at New York and New Orleans. These suspensions have arisen from holding too large stocks, in a falling market. The export of cotton this year to Europe has been 1,750,000 bales against 1,240,000 bales last year. Of this large export for 1851, Great Britain has taken no less than 1,250,000 bales.

The stock market for June has exhibited some violent fluctuations. Bank stocks maintain their prices, with premiums ranging from 4 to 30 per cent. Railroad securities are in demand, and shares are generally near par.

In the London money market, interest is yet 2½ to 3 per cent., accompanied by a redundancy of capital. We find that the export of specie from the United States to Europe has already reached the enormous sum of \$ 18,800,000, to this date, while the aggregate receipts from California, have been about twenty-five millions of dollars.

It is probable that the Erie Canal enlargement bill will pass the New York legislature this month. This act will create several millions of State stock, which will be in demand for such new banks as shall become organized during 1851 and 1852. No less than twelve charters of existing banks will expire in New York State and City in the next two years, with an aggregate capital of seven millions, and with a circulation of three millions of dollars, all of which latter must be replaced by new paper based upon new securities.

The coin in the New York City banks and sub-treasury at six different periods of the present year was as follows:—

1851.	Banks.	Sub-Treasury.	Total.
January 27, . . . . .	\$ 8,800,000	\$ 4,000,000	\$ 12,800,000
March 3, . . . . .	8,053,000	3,803,000	11,856,000
April 10, . . . . .	7,218,000	4,287,000	11,505,000
May 12, . . . . .	7,967,000	4,400,000	12,367,000
June 2, . . . . .	9,731,000	2,307,000	12,038,000
June 16, . . . . .	8,733,000	2,652,000	11,385,000

## DEATHS.

At EASTON, Maryland, on the 26th of May, Theodore R. Lockerman, Esq., President of the Farmers' Bank of Maryland at that place.

At BOSTON, on Tuesday, June 3, Titus Welles, Esq., aged 75, President of the Eagle Bank from its charter in 1822 till the time of his death.

At NEW ORLEANS, in May last, Frederick Frey, Esq., Cashier of the Union Bank of Louisiana.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. I. NEW SERIES.      AUGUST, 1851.      No. II.  
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EARLY CURRENCY IN THE COLONIES.

No. II.

SKETCH OF THE EARLY CURRENCY IN MARYLAND AND VIRGINIA; A MEMOIR READ BEFORE THE HISTORICAL SOCIETY OF MARYLAND, ON THURSDAY, FEBRUARY 6, 1851. BY SEBASTIAN F. STREETER, ESQ., RECORDING SECRETARY OF THE SOCIETY.

THE principal production of Maryland, as well as of Virginia, for a long period after their first settlement, was tobacco; and this also formed their principal article of currency. While settlers and servants were few in number, and the price of the article was high, there was but little difficulty; but as the population, and consequently the production, increased, and the value of tobacco suffered a marked diminution, the resources and comforts of the colonists were seriously abridged, and their progress impeded.

At the time of the settlement of Maryland, the Virginians had already begun to feel the inconvenience of thus relying upon an article of fluctuating and diminishing value, as currency; and in August, 1633, the Assembly of that Colony passed a law requiring all contracts, bargains, pleas, and judgments to be made in money, and not in tobacco; since the exclusive use of the latter "had bred many inconveniences in trade, and occasioned many troubles, as well to the merchants as the planters and inhabitants, among themselves." In January, 1640, "tobacco, by reason of excessive quantities made," had become so cheap, that it was

VOL. I.

8

decided to burn all the bad and half the good tobacco in the country; require all creditors to take forty pounds in the hundred, and to demand for all tobacco made during the year one shilling per pound, and two shillings for the next year's crop. These measures, however, do not appear to have increased the quantity of specie in circulation; for the next year, a law was passed, making money debts not recoverable or pleadable, on account of the "manie and great inconveniencies which do dayly arise by dealing for monie." In March, 1643, "for the encouragement of the owners of horses, mares or sheepe," an exception was made in their favor, and they were allowed to require and receive cash for the sale of those animals.

At the same session was confirmed an agreement, which had been made with the Governor of Maryland on the 3d of June, 1642, allowing the people of the two Colonies to trade or barter for all kinds of commodities raised within their respective territories (servants and goods imported, and horses, mares, and sheep excepted), provided tobacco was not used as a medium of exchange; yet the last act of this Assembly brought the circulating medium nearer to that appropriate for a primitive condition of society, than had been recognized since the establishment of the Colony. The troubles in England between Charles the First and his Parliament had cut off the supplies of Sir William Berkeley, his Majesty's Governor, and a levy was therefore made of two shillings a head on every tithable person in the Colony, to be paid in provisions at fixed rates. Among these were, — "corn at 10s. per barrel; wheat at 4s. per bushel; beef at 3½d. per lb.; good hens at 12d.; capons at 1s. 6d.; calves at six weeks old, 25s.; butter at 8d. per lb.; good weather goats at 20s.; piggs to roast at three weeks old, at 3s. per pigg; cheese at 6d. per lb.; and geese, turkeys, and kidds at 5s. per peece." These articles were deposited at places appointed, and transported in boats to James City, where they were deposited in the Governor's grand larder or treasury. About the same period tavern-keepers were by law forbidden to take more than ten pounds of tobacco for a meal, and to sell any wines or strong liquor excepting strong beer, for which they were allowed to charge "eight lbs. of tobacco per gallon, and no more; and ratably for smaller quantities." The tonnage duties upon vessels arriving at this time were payable in powder and shot, "one halfe pound of powder per every tunne burthen, and three pound of leaden shott or lead."

In November, 1645, the "Governor, Council, and Burgesses, having maturely weighed and considered how advantageous a quoine current would be for the Colony, and the great wants and miseries which do daily happen unto it by the sole dependency upon tobacco," resolved to take Spanish pieces of eight at six shillings, and other Spanish coins in proportion; and to introduce a coin of copper from a colonial mint into circulation. The people were therefore forbidden to use tobacco any longer as a circulating medium, and it was determined to coin pieces of the value of two, three, six, and nine pence, for general use, to be redeemed by the public in case it should become, from any cause, not current. On each coin there were to be two rings, one for a motto, and

the other to receive an impression, which was to be changed every year. The appointment of a mint-master-general, to superintend this formidable emission of copper, completed this grand financial measure of the day. Whether it was ever carried into effect, we are not informed; but if it was, the conflicting legislation, the various expedients, and the depressed condition of the colony in after years, show that the new issue neither supplied the place of tobacco, nor met all the wants of the community for purposes of convenience and traffic.

Maryland, from the first period of her settlement, suffered similar difficulties in reference to a circulating medium to those experienced in Virginia. Indeed, the establishment of a new settlement engendered an additional competition, which tended to depress the value of tobacco, and thus made it less available than before as an article of currency. The amount of money, therefore, which found its way into the Colony, or which remained there, was but small; the rents of land being payable in tobacco at a fixed value, and traffic for goods being carried on in the same article, or with such furs as were obtained by traders licensed to deal with the Indians.

During one period of great distress and civil difficulty, his Lordship's cattle were made to fulfil the office from which one of our terms indicating money is derived, and discharged a pecuniary obligation due to certain soldiers, who were somewhat mutinous, on account of not receiving their pay; and in 1650, instead of a money tax, a levy of half a bushel of corn per poll was made upon the inhabitants of Ann Arundel, St. Mary's, and Kent counties, for the support of Governor William Stone. Powder and shot were also common articles of currency, and formed, as in Virginia, almost the only medium in which ship duties were paid; when, at the suggestion of some of the leading colonists, his Lordship began to entertain the idea of providing a currency for his Colony, which would greatly diminish the obstacles then existing in the way of trade, and, it was hoped, prove profitable to him, as well as advantageous to the Colony.

He accordingly had the dies prepared in London, and specimens of the coins which he proposed to put in circulation struck off, which, with letters to the Governor and Council, and to his brother, Philip Calvert, he despatched on the 12th of October, 1659. The nature of these communications will appear from the following extracts from the original records of the Council:—

“ At a Councill held at Bushwood, Mr. Slyes howse, in St. Mary's County, on Saturday, the 3d of March, 1659–60,

“ Present,— The Gov. Josias Fendall, Esq.; Phillip Calvert, Esq., Secretary; Thomas Gerrard, Esquier, Coll. John Price, Robert Clarke, Esqr., Col. Nathaniell Utye, Baker Brooke, Esqr., Doctor Luke Barber.

“ Then was read his L'd's Letter, directed to his Lieutenant and Councill, dated 12th of October, and directed to the Secretary, touching the Mint, as followeth, viz. :—

“ After my hearty commendations, &c. Having with great paines and charge, procured Necessaries for a particular coyne to be currant in Maryland, a sample whereof, in a peece of a shilling, a sixpence, and a



groats, I herewith send you, I recommend it to you to promote, all you can, the dispersing it, and by Proclamation to make currant within Maryland, for all payments upon contracts or causes happening or arising after a day to be by you limited in the said Proclamation; And to procure an act of Assembly for the punishing of such as shall counterfeit the said Coyne, or otherwise offend in that behalfe, according to the form of an act recommended by me last year to my Governour and Secretary; or as neere it as you can procure from the Assembly, and to give me your advice next year touching what you think best to be further done in that matter touching coyne; for, if encouragment be given by the good success of it this yeare there wilbe abundance of adventurers in it the next yeare."

With this communication was also forwarded the following letter to his brother Philip, then Secretary of State.

"To my most affectionat loving brother, PHILIP CALVERT, ESQR., at Saint Mary's, in Maryland.

"I sent a sample of the Maryland money, with directions for the procuring it to pass, because I understood by letters this yeare from the Governor and you and others that there was no doubt but the people there would accept of it, which if we find they do, there wilbe meanes found to supply you all there with money enough; but though it would be a very great advantage to the Colony that it should pass current there, and an utter discouragment for the future supply of any more, if there be not a certain establishment this yeare and assurance of its being vented and currant there, yet it must not be imposed upon the people but by a Lawe there made by their consents in a Generall Assembly, which I pray faile not to signify to the Governor and Councell there to gether from me, by shewing them this Letter from

Your most affectionat Brother

"London, 12 October,  
1659."

C. BALTEMORE.

Ten days after the reception of his Lordship's letters, and the discussion in Council of the question of the best mode of introducing his new coinage among the people, Governor Fendall, with a part of the Council, attempted to revolutionize the Province, and, throwing off all dependence upon Lord Baltimore, to concentrate all power in themselves. They were probably incited to this by the unsettled state of affairs in England; but they soon found there was no hope of success, and were glad to give in their submission to the newly restored king, and to Lord Baltimore, as the lawful Proprietary of the Province.

The confusion that followed this wild attempt of Fendall and his party, of course, rendered it impossible to carry out the proposed plan in reference to a specie currency. According to his Lordship's prudent and just instructions, the coins were not to be forced upon the people; on the contrary, he would not consent to their introduction, until the people, by their representatives, had not only expressed their assent, but had even invited their emission.

Philip Calvert received his commission to act as Governor in Novem-

ber, 1660, and complied as promptly as possible with the wishes and instructions of his brother. In April following, an Assembly was held in St. John's, and, at his instance, an act was drawn up and passed, "for setting up a mint within the Province of Maryland."

After a preamble, setting forth the fact that the want of money is a great hinderance to the advancement of the Colony in trade and prosperity, the Burgesses agree to the following enactments:—

I. That his Lordship be petitioned to set up a mint for the coining of money within the Province.

II. That the money coined therein be of as good silver as English sterling money.

III. That every shilling, so coined, weigh above ninepence, in such silver; and other pieces in proportion.

IV. That the offences of clipping, scaling, counterfeiting, washing, or in any way diminishing such coin, be punishable with death, and forfeiture of lands, goods, &c. to the Lord Proprietary.

V. That his Lordship receive said coin in payment for rents and all amounts due to him.

These proceedings were transmitted to the Proprietary in England; upon the receipt of which he prepared to send to the Colony a sufficient quantity of coin to supply its wants. The main object was now to throw a considerable amount at once into circulation; and to this end the aid of the Assembly was again invoked. At the session of April, 1662, an act was passed, requiring every householder and freeman "to take up ten shillings per poll of the newly issued coin, for every taxable under their charge and custody, and pay for the same in good casked tobacco, at two pence per pound, to be paid upon tender of the said sums of money, proportionably for each respective family."

The effect of this measure was to cause a forced exchange of sixty pounds of tobacco by every tithable for ten shillings of the new coinage; and, as there were at least five thousand tithables then in the Province, this act alone, if it were carried fully into effect, must have thrown into circulation coin to the amount of twenty-five hundred pounds sterling.

It is probable that the new emission proved acceptable to the people, as it must have greatly facilitated exchanges; yet it by no means superseded tobacco as an article of currency. That still continued largely in use, especially in important transactions; and many of the public dues were still collected in tobacco, and not in coin. What was the amount of this new currency in circulation at any time after, we have no means of ascertaining; neither do we know when it began to be disused.

Nearly ten years after, (as we learn from Ogilby's *America*, a rare and valuable publication of the date of 1671,) there were in circulation in the Colony, "besides English and other foreign coyns, some of his Lordships own coyn, as Groats, Sixpences, and Shillings, which his Lordship, at his own charge, caus'd to be coyn'd and dispers'd throughout that Province. 'T is equal in fineness of silver," says the same writer, "to English Sterling, being of the same Standard, but of some-

what less weight. It hath on the one side his Lordships coat of arms, stamp'd with this motto circumscrib'd '*Crescite et Multiplicamini*'; and on the other side, his Lordships Effigies, circumscribed thus: '*Cæcilius, Dominus Terræ Mariæ, &c.*' "

From the title of the act of Assembly of 1661, in Bacon's Laws of Maryland, some have inferred that a mint was established, and that the coinage was actually done in Maryland; but it appears more probable that the coins were struck in England, under the supervision of the Lord Proprietary, and transmitted to the Governor, as circumstances made it necessary or convenient. The operation was a profitable one, inasmuch as the shilling contained but about seventy-five per cent. of its nominal value in silver, and was exchanged, in the first instance, for tobacco at the ordinary price.

Specimens of this coinage, so interesting in the commercial and pecuniary history of Maryland, ought certainly to be in the cabinet of this Society, and I trust that the movement now set on foot may result in the acquisition of the coins either from collections in this country or in England.

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CURRENCY OF MASSACHUSETTS IN 1631. — As proof that our ancestors were interested in the preservation of gold and silver money from unlawful diminution, as well as of due regard to the administration of justice in their native land, they apprehended one Robert Wright, who had escaped hither from London, being accused of "clipping the king's coyne."

This sort of money, so introduced to our notice, suggests the ensuing remarks. The method of keeping accounts by our Colonists, relative to specie as well as other currency, was by pounds, shillings, pence, and farthings. It was first introduced in England by William the Conqueror. He ordered the pound of account to equal a pound of silver, and this to be divided either into twelve shillings of twenty pennies, or twenty shillings of twelve pennies, in accordance with the table of Troy weight. It was not till several reigns after this, that such a pound was denominated a pound sterling. So reduced had this standard become under Charles the First, who granted the Charter of Massachusetts, that a pound of silver was estimated, while he was on the throne, both here and in the mother country, at more than three times what it was in the days of William. Owing to the unsteady and injudicious system of the predecessors of Charles, for the regulation of the currency, as well as to large debts contracted under his father's administration, coin was very scarce when our ancestors emigrated to this country.

Hence, we have one reason why they adopted such a medium of exchange as has been already described.

This they applied to their judicial as well as commercial proceedings. June 14, 1631, "Chickataubott is fyned a skyn of beauer for shooteinge a swine of Sir Richard Saltonstall." — *Historical Account of Massachusetts Currency*, by J. B. Felt.

## LAWSON'S HISTORY OF BANKING.

## CHAPTER II.

## ORIGIN OF BANKS IN ENGLAND.

*First Establishment of the Exchequer. — Its Functions as a Bank. — Nature of Exchequer Bills. — Revenues of the Crown originally paid in Kind. — The Brotherhood of St. Thomas-a-Becket incorporated. — The Merchants of the Steel Yard incorporated. — Some Account of the Cambium Regis, or Royal Office of Exchange. — Antiquity of the Company of Moneyers. — Exchanges as originally practised by the Jews. — Introduction of the Jews into England by William the Conqueror. — Their Functions as Bankers. — Their Expulsion. — Origin of the term Bankrupt. — Introduction of the Lombards into England as Bankers. — Many of them banished. — First legalizing of Interest of Money by Act of Parliament. — Variations in the Rate of Interest. — Josiah Child's Description of the Effect of lowering the Rate of Interest.*

BANKING, as an assistant to commerce, and as now understood, had no existence in England prior to the sixteenth century. The operations comprehended under that term were few, and of an exceptional character. The lending of money on the mortgage of personal valuables, of lands, and of the revenues of the Church, were the occupations of the bankers of our ancestors.

The first public institution in England partaking somewhat of the nature of a bank was the Exchequer founded by William the First: it still flourishes under Victoria, and, after an existence of eight hundred years, its objects remain unchanged, its operations only being modified by the lapse of ages.

The original name of the Exchequer was *Scaccarium*. Various conjectures have been hazarded respecting the origin of this word, but it is not improbably derived from *scaccus* or *scaccum*, the "chess-board," because a checkered cloth was used at the Exchequer similar in appearance to the squares of a chess-board. These checkered cloths were anciently of great use to the accountants of the English Court of Exchequer in counting the money, inasmuch as the squares were understood to represent figures corresponding to the amounts placed thereon.

Sometimes, when money was paid in or tendered to the Exchequer, supposed to be alloyed beneath the legal standard, it was brought to the fire to be tested; this was called *combustio examen*.

Previous to, and immediately after the Norman Conquest, there was very little money in use in England; all obligations were discharged by personal service and by payments, such as cattle, horses, dogs, hawks, &c., &c. Rent of land was reckoned in kind, as appears in page 248 of "*Spelman's Ancient Deeds and Charters*," where it is stated, that "the rent of Hicklinge is ten measures of malt, five of groute, five of wheat meale, eight gammons of bacon, sixteen cheses, and two fat cows." \*

\* The tax called Danegeld, originally levied by Ethelred the Second, was an annual

Down to the period of Henry the First, the rents, taxes, and fines due to the king were paid in provisions and necessities for his household. Afterwards, in succeeding reigns, the revenues of the crown were chiefly paid in gold and silver, but sometimes made up with horses, dogs, and birds for game: on some occasions an entire payment was made in horses and dogs singly, of which there are numerous instances to be met with in the ancient rolls of the Exchequer.

When the king's revenue, in money, was conveyed from one place to another, the sheriffs of the counties, or some other of the king's officers, used to have the care of conveying it, and were allowed their expenses upon the next account. Sometimes the king's money was conveyed by persons specially appointed to take charge of it, who, for their security, were furnished with letters of aid and safe-conduct.

A great portion of the yearly revenue consisted of fines, which were paid for grants of land and confirmations of liberties and franchises of various kinds. When the receivers of the public revenue lodged the money in the Exchequer, they received a discharge for the same, called a tally.

Tallies were of great and constant use in the Exchequer, coeval with the institution of the Exchequer itself. The word *tallies* is originally French, — *taillie*, cutting.

These tallies were pieces of wood cut in a peculiar manner. For example: a stick or rod of hazel well-dried and seasoned, was cut square and uniform at each end, and in the shaft. The sum of money which it bore was cut in notches in the wood by the cutter of the tallies, and likewise written on both sides of it by the writer of the tallies.

These notches were cut at two opposite angles of the prism, which being split, converted it into two prisms with triangular bases: these two notched cuts of wood were exactly equivalent to the modern engraved check and counterfoil; one was given to the parties paying money, and the other retained at the Exchequer.

It is a mistake to suppose that tallies were a means of keeping accounts. On the contrary, they were official receipts for money paid into the King's Exchequer. Clumsy as such instruments must appear to modern ideas, they were undoubtedly an effectual protection against forgery or fraud.\* Counters were sometimes used at the Exchequer

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tax of two shillings on every hide of arable land, and was in its nature a land tax, and is the first stated tax mentioned by our historians. It was called Danegeld because it was originally paid to the Danes; but, like many other things, continued to retain the name long after it became appropriated to other uses. Camden, in his *Britannia*, makes the number of hides of land in England amount to 243,600; consequently, the gross produce of this tax, at two shillings per hide, would amount to £24,360, an enormous sum in those days.

\* The circumstances attending the entire extinction of these primitive instruments are somewhat remarkable. In the month of October, 1834, the authorities of the Exchequer gave directions that the tallies and foils (which were no longer required) should be destroyed. They were, accordingly, removed from the Exchequer to the cellars of the Houses of Parliament, and placed in the fires to be consumed.

The operation of burning the tallies (of which there were several cart-loads) began at six o'clock in the morning of Thursday, 16th October, 1834, and continued the whole of the day, until half-past six in the evening, when, the fires having become

in the way of computation ; in which case the counters were laid in rows upon the several marks of the checkered cloth, namely, one row or place for pounds, another for shillings, &c., &c.

Tallies and counters are now disused, but ancient instruments still remain famous throughout the civilized world as pledges of the wealth of the British Islands. The holder of an Exchequer bill does in fact hold a mortgage on all the property, both movable and immovable, in the United Kingdom ; a mortgage binding in law, but more binding still in the unbroken faith of the inhabitants of the United Kingdom.\* Exchequer bills are a species of government paper money peculiar to this country ; they are simply orders upon the Exchequer, entitling the bearer to the sum specified therein, together with interest at a fixed rate per cent. per day, until a period is named for their payment, that period being at the option of the government, but seldom exceeding twelve months from the date of the issue, when they are advertised to be paid off or exchanged on a given day. The interest on such bills as are not sent in for payment, or exchanged, ceases from that period.

The Exchequer was originally a court of conservation of the prerogatives as well as the revenues of the crown. It was the especial duty of the Treasurer and Barons of the Exchequer to see that the rights of the crown were not invaded by such as claimed liberties or exemptions.

According to the constitution of these realms, the Exchequer is the grand receptacle of all the revenues of the state ; and when moneys are once deposited there, they are removable only by a warrant of the Lords of the Treasury, who now exercise the power formerly delegated to a single officer of the crown, styled the Lord High Treasurer.

At present the Chancellor of the Exchequer may be said to be the grand receiver-general, and the First Lord of the Treasury, commonly called the PREMIER, the grand paymaster-general of the nation ; and although, unquestionably, there are benefits accruing to the public from the continuance of a variety of checks, arising from certain forms of office, according to the ancient usage and custom of the Exchequer ; yet, in effect, the modern Treasury is the ancient Exchequer ; and in common discourse, both in and out of Parliament, the terms are often used synonymously. But, although all the moneys of the state are thus virtually paid into the Exchequer, it is not to be understood that the actual coin and bank-notes are deposited in vaults under the roof of the old building at Westminster.

In former times, indeed, the Exchequer was literally the bank of the Lord High Treasurer ; but this was at a period when the existing facilities and securities for the transfer of money were wholly or almost wholly unknown ; when bank credits, bank checks, and bank notes had no existence ; and when the whole system of pecuniary intercourse was rude

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over-heated, a terrific fire burst forth, and in a few hours the entire building was a heap of ruins.

By a Report of the Privy Council, the conflagration was ascribed to the burning of the tallies ; but the calamity was attributed to accident.

\* See History of Exchequer Bills, in No. 6,838 of the Harleian Collection of MSS. in the British Museum.

and imperfect; but, since the establishment of the Bank of England, the Exchequer has become rather an office of accounts and control than a repository for the safe custody of cash.

The Governor and Company of the Bank of England, as bankers to the Lords of the Treasury, now take that charge upon themselves: some of their principal clerks attend every day at the Exchequer to regulate the money business of the Treasury, the money itself remaining in the coffers of the bank to be distributed among the various departments of the government, according to the orders of the Treasury issued at the Exchequer.

This short account of the English Exchequer will give the reader as clear a view of the condition of the financial operations of the state as we are able to collect: those who wish for more detailed information respecting this institution will do well to consult Maddox's "History of the Exchequer," and the Report of the Commissioners appointed to inquire into the manner in which the public money is received and paid, dated October, 1831.

As England had in some measure a royal or state bank in the Exchequer at a very early period, so she was not destitute of those institutions which, partaking both of a public and private nature, have at all times formed a prominent feature in the habits and customs of the Anglo-Saxon race. Looking at the ordinary course of business in the thirteenth century, it is by no forced analogy that we can perceive a strong likeness between the Brotherhood of St. Thomas-à-Becket, afterwards the Merchant Adventurers, the Merchants of the Steel Yard, and the various trading and banking corporations of the present day. The monopolies with which they were invested, however repugnant to our present notions, were probably necessary powers. At that time, the people and the nobility being equally unscrupulous and rapacious, private persons were unable successfully to resist their aggressions. And, more especially that the subsidies annually granted by Parliament consisted of a certain number of sacks of wool,\* the monarchs required the aid of a trading company to turn the wool into money.

One of the most ancient corporations in England was the Society of Merchant Adventurers, which was first called "The Brotherhood of St. Thomas-à-Becket of Canterbury." In 1248, the corporation obtained privileges of John, Duke of Brabant, which were afterwards confirmed to them by Edward the Third of England. They subsequently obtained charters of incorporation from Henry the Fourth, which charters were confirmed by every succeeding monarch. Henry the Seventh gave them the title of Merchant Adventurers to Calais, Holland, &c.

Wheeler, who was secretary to the company in 1601, published "A Treatise on Commerce," in which he gives a full description of the nature of the traffic carried on by them. This important corporation appears to have been of great service to the crown in advancing money

\* The article of wool was of so much importance in the time of the Anglo-Norman kings, that, to have it in constant remembrance, the seats of our judges and those of the peers were stuffed with it; and the Lord High Chancellor to this day sits in the House of Lords on a sack of wool.

by way of loan. Sir Josiah Child, in his "Interest of England considered," published in 1620, gives a copy of an acknowledgment in the handwriting of Edward the Sixth, as follows:—"Because I had a pay of £ 48,000 to be paid in December, and had as yet but £ 14,000 beyond sea to pay it withal, the merchants did give me a loan of £ 40,000, to be paid by them the last of December, and be repaid again by me the last of March." This grant appears to have been confirmed at a meeting of the company, at which three hundred merchants were present.

In Whitelock's "Memorials" it is recorded, that in 1647 the Merchant Adventurers lent £ 10,000 towards the pay of the army; and in 1649, £ 10,000 for the service of the navy, for which they received the thanks of the House of Commons. In the year 1661, the company consisted of 3,500 members, many of them wealthy and experienced merchants: they traded to most parts of the continent of Europe. Their charter of this year confirmed to them all their ancient privileges, allowing them to have officers in the custom-house. This gave great offence to a large number of traders not connected with the corporation, who in the following year petitioned Parliament for its suppression: the result, according to a tract, published in 1689, called "Reasons humbly offered," was "a temporary liberty granted to all persons to buy and export our woollen manufactures; but so far was it, on trial, from answering the end proposed, that the very clothiers themselves in the following year petitioned that the said liberty might be revoked, and it was revoked accordingly."

The Merchants of the Still Yard or Steel Yard, so called from the steel imported by them, was another ancient corporation, established in the reign of Henry the Third: they were principally German merchants trading with London, who were endowed with many important privileges, and were exempted from several fiscal duties paid by other aliens. Previously to the year 1284, they were not permitted to rent any houses or warehouses in London, but lodged during their stay with the brokers who sold their produce for them. When, however, they were permitted to occupy houses and warehouses of their own, they no longer employed the brokers, but sold their merchandise themselves, in the sale of which they practised many frauds, particularly in their weights. They were detected in the year 1286, when many of them were sent to the Tower, and according to Fabian, their weights were publicly burnt.

Sir John Haywood, in his "Life and Reign of Edward the Sixth," gives some account of the dissolution of this corporation. He says, "The Merchant Adventurers exhibited a bill at the Council table against the Merchants of the Still Yard. After answer by those of the Still Yard and reply by the Adventurers, it was determined, after examining their various charters, that the Merchants of the Still Yard were no sufficient corporation, as their numbers, names, and nation could not be known; and their dissolution followed."

In the year 1597, Queen Elizabeth issued a commission to the Mayor and Sheriffs of London to shut up the house inhabited by the Merchants of the Steel Yard in London, and ordered all the merchants to quit her



dominions.\* From this time the Steel Yard was never again used for a like purpose.

While the Exchequer might be considered the royal bank and treasury, while the Brotherhood of St. Thomas-à-Becket and the Merchants of the Steel Yard appeared in the double capacity of merchants proper and of the modern loan contractors, the business now carried on by our Rothschilds and Barings, of foreign bankers and dealers in foreign bills of exchange, was the subject of a royal monopoly.

The Cambium Regis, or Royal Office of Exchange, was undoubtedly the least vigorous of all the institutions of the Plantagenet kings, and on that account we can trace but few of its proceedings.

In the famous collection of English records in the *Fœdera*, however, there is a circumstantial account of a grant by King Henry the Fifth to Lewis Johan, whom he calls his servant, or to his deputy for three years, of the sole privilege of taking or receiving moneys by exchange of any persons who had occasion to visit Rome, Venice, or any other place where the Pope may reside, or who may have business to transact with any merchant abroad. For which moneys so received, he or his deputy was to deliver bills of exchange payable in those parts; and for this privilege he was to pay to the king two hundred marks yearly.

In the reign of Henry the Seventh, the revenue derived from this office was farmed to individuals: it was granted by this king for one year to Peter Corsy, a Florentine, who, by the king's authority, was to take three pence for the exchange and rechange of every gold ducat. For this privilege he was to pay the king £250 sterling. The grant was styled "the custody of the increase of the change, exchange, and rechange," and was in the subsequent reign granted to Thomas Boleyn, father of the unfortunate Ann Boleyn, who was the last that enjoyed the office.

The father of Sir Thomas Gresham held the office of King's Exchanger, or King's Agent, as the office was then called, and was much esteemed by Henry the Eighth, and also by Wolsey. On the occasion of the Cardinal being deprived of the great seal, he was heard to say, that what grieved him most, after the displeasure of the king, was, that he would not now be able to pay to Mr. Gresham the two hundred pounds which he was indebted to him.

Sir Thomas succeeded his father in his royal office; but was superseded by Queen Mary on her accession to the throne, and afterwards restored.

He was one of the first English merchants that traded to the East Indies; and, having fitted out several ships, he miscalculated the time at which they would return, a circumstance that caused him much embarrassment. He, however, soon recovered from this temporary inconvenience. One day, while despondingly walking about the Bourse, or Exchange, which was then held in Lombard Street, a sailor presented him with a letter from the captain of one of his ships, which contained the gratifying information that two of his ships had arrived safe from the East Indies; and that the box which the bearer would deliver contained

\* Anderson's History of Commerce, Vol. II. p. 192.

some diamonds and pearls of great value, as a sample of the riches the ships had brought home.\*

Sir Thomas was about this time very wealthy; he built a sumptuous house on the west side of Bishopsgate Street, afterwards known as Gresham College.†

Queen Elizabeth employed Sir Thomas Gresham in many intricate and confidential negotiations with foreign powers, both in reference to her pecuniary and mercantile affairs, on which account he was called the Royal Merchant; and his house was sometimes appointed for the reception of foreign princes upon their arrival in London.

The following singular anecdote is related of this princely merchant.

The Spanish ambassador to the English court having extolled the great riches of the king his master, and of the grandees of his kingdom, before Queen Elizabeth, Sir Thomas, who was present, told him that the queen had subjects who, at one meal, expended not only as much as the daily revenues of his king, but also of all his grandees; and added, "This I will prove any day, and lay you a considerable sum on the result."

The Spanish ambassador soon after came unawares to the house of Sir Thomas, and dined with him; and, finding only an ordinary meal, said, "Well, Sir, you have lost your wager." "Not at all," replied Sir Thomas; "and this you shall presently see." He then pulled out a box from his pocket, and, taking one of the largest and finest Eastern pearls out of it, exhibited it to the ambassador, and then ground it, and drank the powder of it in a glass of wine, to the health of the queen, his mistress. "My Lord Ambassador," said Sir Thomas, "you know I have often refused £15,000 for that pearl: have I lost or won?"

"I yield the wager as lost," said the ambassador; "and I do not think there are four subjects in the world that would do as much for their sovereign."‡

Sir Thomas appropriated a great portion of his vast wealth in the erection of public edifices. He built the Royal Exchange, and founded Gresham College, which he endowed with six professorships, viz. divinity, law, physic, philosophy, astronomy, and music, with fifty pounds per annum to each, so that they might give gratuitous lectures on those sciences to the citizens of London for ever. He also left, by will, considerable donations to public charities.

In an abstract of the Records of the Tower, compiled by Sir Robert Cotton, we find a recommendation to the king, Charles the First, "to erect again the Cambium Regis, his own Exchange, an office as ancient as before Henry the Third, and so continued until the middle of Henry the Eighth; the profit of it being now engrossed amongst a few gold-

\* The statue of Sir Thomas Gresham, which was very appropriately placed in the old Royal Exchange, represented him as holding an open letter in his hand; of the import of which the above incident is understood to have been an explanation.

† This house was pulled down some years ago, and the present Excise Office built on the site.

‡ Guide to London, 1726.

smiths, and would yield about £2,000 a year if it was heedfully regarded."

Charles, partly from his necessitous condition, and partly from a tenacity to uphold the prerogatives of the crown, was not slow in taking advantage of this recommendation; and in the year 1627 he issued a proclamation, granting to "Henry, Earl of Holland, and his deputies, the office of our Changes, Exchanges, and Outchanges whatsoever, in England, Wales, and Ireland."

This proclamation expressly prohibited the bankers from making the said exchanges.

A pamphlet was published in the following year by the king's authority, called, "Cambium Regis, or the Office of his Majesty's Exchange Royal, declaring and justifying his Majesty's right thereto and the conveniency thereof."

This pamphlet states that the prerogative of exchange "has always been a flower of the crown," of which instances are quoted from the time of Henry the First; "that King John farmed out the office for five thousand marks; that the place or office, the Exchange, was made in his reign, was near St. Paul's, in London, and gave name to the street called 'Old Change'; that this method continued till the time of King Henry the Eighth. The allowance in the old Cambium Regis was 1*d.* and sometimes 1½*d.* exchange upon the value of every noble of 6*s.* 8*d.*, which yielded a considerable revenue."

Against the revival of this Royal Exchange the Goldsmiths' Company of London petitioned the king, as did also the Lord Mayor, Aldermen, and Common Council. The king replied, "Trouble me no more in the matter, since my right to the office is undoubtedly clear."

The patent was, however, never acted upon, and the office has entirely ceased, and will never, we imagine, be attempted to be revived by any future sovereign. An arbitrary monarch may interpose in the bargains and relations subsisting among his own subjects; but it is without the pale of his power to enforce a discipline in the transactions between his own subjects and those of other sovereigns. He may levy duties on exports and imports, and "crib, cabin, and confine" the mercantile operations of both subjects and foreigners as regards his own kingdom; but the arbitration of exchange is far beyond his power; it is a matter which has ever been exclusively controlled by the extent of the commercial operations of nations trading with each other.

In addition to the business of receiving moneys from parties going abroad, and giving them foreign money or bills of exchange, it was the duty of the officer at the king's Exchange to deliver to the coiners of money throughout England their coining-irons, which consisted of one standard, or staple, and two puncheons; and when the same were worn out, to receive them back, with an account of what sums had been coined, and also the pix or box of assay, and to deliver other irons newly engraven.

This part of the business was under the immediate control of "the Company of Moneyers"; a company still in existence, though instituted at so early a period that its origin cannot be ascertained. The

moneyers are the only persons mentioned in Alfred's Domesday Book, or in any of the laws of the Anglo-Saxons relating to money.

They appear to have travelled in the suite of the early kings; and whenever the monarch arrived at a town where there was a mint, and required money, the moneyers were called upon to see that the coin was made from the king's bullion.

The Provost and Company of Moneyers take to themselves the title of a corporation; yet they are unable to trace when and by what authority they became incorporated: they have, however, been recognized for many centuries; and, although they cannot show any charter of association, yet the law places them in the same situation as the City of London, by prescription.

Attempts have on many occasions been made to put an end to this corporation, but hitherto without effect. So far back as 1796, a committee of the House of Commons, specially appointed to inquire into the miscarriages of the officers of the mint, after examining various official papers, grants, &c., relating to the mint, reported, that "they could not find any grant to the Corporation of Moneyers: they live in the country, attend the mint whenever called, take apprentices, and form themselves into a government by electing one of them to be their provost." But no proceedings followed this report.

The business of the moneyers of the present day consists in their superintending the coinage, and providing the necessary machinery, &c., for coining the money, for which they get a percentage on the amount coined.\*

Having given due precedence to royal institutions, and to important corporations, we turn to the origin of private bankers, or money dealers.

The private bankers of England of whom we have the earliest cognizance were in a very different position from their successors of the present day. The first were Jews, aliens in blood and religion; condemned, hated, feared, and despised. In the land of their adoption they were very soon made the victims of more barbarous cruelties and oppressions than were ever inflicted upon any people whatever.

The Jews were originally introduced into England by William the Conqueror, and to them belongs the merit of benefiting commerce by that important improvement, — the inventing bills of exchange. Their industry and frugality caused them to accumulate vast sums of money, which the idleness and profusion common to the English nobility in those days enabled them to lend out at a high rate of interest, upon the security of property. They were the principal artificers of the time, and wrought most of the gold and silver ornaments for the use of the

\* By a return made to Parliament relative to the coinage in 1846, at page 443, Vol. XXV., it appears that for the year 1844 the Company of Moneyers received as commission, —

	£	s.	d.
For the gold coinage, . . . . .	11,577	0	0
"    silver    "    . . . . .	8,238	16	1
"    copper    "    . . . . .	2,067	13	4
	21,883	9	5

churches, which on many occasions they were afterwards called upon to take as pledges for the repayment of money lent to the priors and other ecclesiastics. They were not, however, permitted to enjoy the profits of their trade unmolested; for each successive monarch extorted from them large sums of money, and that frequently by the most barbarous and cruel methods.

It was a custom among the Jews, as well as the Christians, to deposit the securities on which they had lent money in some public building; and at the general massacre of the Jews at York, in the early part of the reign of Richard the First, the gentry of the neighborhood, who were all indebted to the Jews, ran to the cathedral, the place where their bonds were kept, and made a solemn bonfire of the papers before the altar. The compiler of the "*Annals of Waverley*," in relating these events, blesses the Almighty "for thus delivering over this impious race to destruction." \*

It is no part of our business to describe in detail the many atrocities committed by the people of England upon the Jews. Richard the First, after the massacre above related, banished the remainder.

John, experiencing an inconvenience in their absence, tempted them to return, by the promise of allowing them to elect their own High Priest. Even the great charter of our liberties sanctions an injustice to the Jews, by enacting that, "if any persons have borrowed money of the Jews, more or less, and die before they have paid the debt, such debt shall not grow whilst the heir is under age."

Edward the First exceeded all his predecessors in atrocity. Fifteen thousand Jews were robbed of all they possessed, and then banished the kingdom. Tovey relates a horrible story in connection with this event. Some of the wealthiest of the Jews, having obtained the king's permission to take with them their property, loaded a ship with immense wealth and set sail; but when they had got to the mouth of the Thames the captain of the ship cast anchor, and, it being low water, the ship rested on the sands. He then persuaded the Jews to leave the ship, and go with him on the sands, telling them the tide would not flow for a long time. Having led them some distance from the ship, and finding the tide was coming in, he stole away from them, got on board, and set sail. The wretched Jews, when they discovered their situation, called to him, imploring help; but the captain, mocking them, bade them call upon Moses, who conducted their forefathers through the Red Sea, and so left them to perish.

The captain returned to the king, to whom he related the result of his scheme, and delivered up the treasure, receiving in return both honor and reward. A partial retribution followed this atrocious crime; for by some unaccountable means the whole of the produce of the plunder was squandered, not one penny being set aside for the pious purposes which the king used as a pretext to justify his cruelty.

After this event, no trace of the existence of the Jews in England can be found till long after the Reformation, nor is it necessary for us to

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\* Hume's History of England, Vol. I. page 167.

trace them further ; but simply to record — extraordinary as it may appear, and yet what from our researches we find — that this oppressed people paid nearly one third of the whole revenue of the kingdom.

The expulsion of the Jews created great inconvenience, as there were none either to lend money or manage foreign business. At this time the family of Causini were settled as bankers in the principal cities of Italy. Being invited to England, they soon began to practise usury to a greater extent than had been done by the Jews themselves. The old course was in some measure adopted : they were threatened with banishment, and in some instances the threat was carried out. After this they conducted their business with more moderation. In process of time other Lombards settled in London, in the street known by their name, and famous throughout the civilized world as the very centre and focus of monetary transactions, extending in their ramifications to all parts of the globe.

The occupations of the Lombards, like those of the Jews, were those of the goldsmith, the pawnbroker, and the merchant ; and finally that of the banker. They, too, amassed immense wealth, and had at one time in their hands an enormous amount of church revenues. They also accommodated the kings of England with loans of money ; but they were more fortunate than the Jews, for they received many marks of favor and approbation. Each succeeding year wore away the distinctions between the Lombard goldsmith and the native Englishman ; and centuries have passed since the acute Italians of the middle ages were absorbed into the great Anglo-Saxon family.

In the simple state of money-dealing which prevailed in Italy during the fifteenth and sixteenth centuries, the treasure to be lent out at interest was commonly displayed on a table or board, called *Banco*, and hence the origin of the term now so generally appropriated to those immense establishments which circulate the wealth and promote the trade of modern Europe.

Hence also the term bankrupt, as applied to such as were no longer able to discharge their obligations in the way of business ; for when the dealer in money in former times failed to meet the claims made upon him by his professional brethren, his table or board was publicly broken in pieces, and himself declared unworthy of credit. The stigma of *bancorotto* henceforth adhered to him, and he was accordingly driven out from the society of the still solvent usurers.

It is perhaps worthy of remark, that the money-lenders among the ancients were distinguished by a similar name, derived too from a similar circumstance, viz. from the tables on which they were wont to expose their bullion, and which, like their successors, the Lombards, they took care to set forth in the most public places, even in the porches and the aisles of their sacred temples.

Of the practice of the Jews it is recorded, "that upon the first day of the month Ada, proclamation was made throughout all Israel that the people should provide themselves with half-shekels, which were yearly paid towards the service of the Temple, according to the commandment of God. On the 25th Ada, they brought tables into the tem-

ple, that is, into the outward court, where the people stood. (Exodus xxx. 13.) On these tables lay the lesser coins, which were to provide those who wanted half-shekels for their offerings, or smaller pieces of money in payment for oxen, sheep, doves, &c., which stood there ready in the said court to be sold for sacrifices; but this supply, and furnishing the people from the tables, was not without an exchange for other money or other things in lieu of money, and that at an advantage to the exchanger. Hence all those who sat at the table were called Bankers, or Masters of the Exchange." — See "Postlethwayt's Universal History of Trade and Commerce" for further information on this subject.

The principal crime laid to the charge of the Jews and the Lombards was that of practising usury: this offence was in the estimation of the Church so heinous, that it invariably placed all those who took money at usury in the highest rank of excommunicated persons: to such were attributed the omitting of every good, and committing of every evil.\*

The enemies of interest made no distinction between that and usury, holding any increase of money to be beyond all question usurious, and this opinion they grounded on the prohibition of it by the Law of Moses; but the Mosaical precept was clearly a political, and not a moral, precept. It only prohibited one Jew from taking interest from another; but in express terms (Deut. xxiii. 20) permitted him to take it of strangers.

In the dark ages of monkish superstition, such were the ignorance and bigotry of our rulers, that we find, in the year 1342, King Edward the Third caused a statute to be passed, "prohibiting usury or interest for money, as being the bane of commerce."

The 37th of Henry the Eighth, cap. 9, is the first statute legalizing the taking of interest, the rate of which was fixed at ten per cent. per annum. In the reign of Edward the Sixth, religious zeal prohibited all interest. The statute of Henry the Eighth was revived by the 13th Elizabeth, cap. 8, which declared that "all brokers shall be guilty of *præmunire* that transact any contracts for more than ten pounds to the hundred, and the securities themselves shall be void."†

Ten per cent. continued the legal rate of interest till the 21st James the First, cap. 1, which enacted that "all bonds, contracts, and assurances made after the passing of this act for any usury above the rate of eight per cent. per annum, should be utterly void." The act to continue for seven years; but it was by the 3d Charles the First made perpetual.

Sir Josiah Child, in his "Discourse on Trade," remarks, that "in the year 1635, which was but ten years after the passing of the above

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\* In Vol. II. p. 332, of the Rolls of Parliament, there is a petition of the Commons to the king, Edward the Third, praying that the Lombards, following no other mystery but that of broker, may be banished the realm on account of their usury, and being spies, and "*Ont ore tard menez deins la terre un trop horrible vice q' ne fait pas a nomer,*" &c.

† Parties convicted of this offence were, according to Sir Edward Coke, 1 Inst. 129, "out of the king's protection, and his lands, tenements, goods, and chattels shall be forfeited to the king, and his body shall remain in prison at the king's pleasure."

act, there were more merchants to be found on the Exchange of London worth each one thousand pounds and upwards than were before the year 1600 to be found worth one hundred pounds. That the lowering of interest enables merchants to increase foreign trade, whereby home manufacturers and artificers will be increased, as also our stock of other useful people; and the poor will be employed."

The rate of interest of money was further reduced by Cromwell to six per cent.; the same reduction was reënacted after the Restoration by statute 12 Charles II. cap. 13; but the canon law still continued opposed to the practice of interest for money.\*

By the 12th of Queen Anne, interest of money was reduced to five per cent. per annum, at which rate it still continues, except as applied to loans on personal security by bills of exchange, not having more than twelve months to run.†

These alterations in the law proceeded *pari passu* with the gradual changes which took place from time to time in our commercial system; and as the business of banking began to unfold its various uses, the monetary operations of the country, which had previously been discharged by different hands, were centered in one distinct pursuit.

Very few of the writers on our monetary system take notice of the important part which interest of money performs in our financial operations, and the tendency it has to centralize capital; for undoubtedly some men through such operations accumulate immense wealth; and, provided the length of the lives of the great capitalists was not confined to the ordinary limits of man's existence, they would be the sole possessors of money, leaving thousands penniless; for, "whatever store of sap the tree hath, yet many sprigs and leaves wither for want thereof." Nature, however, finds a remedy for man's folly: by the time a man has by compound interest doubled his capital, it is rare that another period is permitted him to double it a second time, and by his death his accumulated wealth is distributed among his relatives or friends.

Our history of the progress of banking, and its inseparable companion, the doctrine of interest of money, has now reached that point when the practice and principles of the science assumed a definite form. Before, however, we proceed further in our history of banking, our consideration must be directed to an important collateral branch of our subject; viz. Bills of Exchange, and the laws respecting them.

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\* In the Homilies of the Church of England for Rogation week, in use in the reign of Charles the Second, the following passage occurs:—"If the merchant and worldly occupier knew that God is the giver of riches, he would content himself with so much as, by just means approved of God, he could get to his living, and would be no richer than truth would suffer him: he would never procure his gains and ask his goods at the devil's hands."—"God forbid, ye will say, that any man should take his riches of the devil. Verily, so many as increase themselves by usury, by extortion, by perjury, by stealth, by deceit, and craft, they have their goods at the devil's gift," &c.

† See 3 and 4 Will. IV. and subsequent acts renewing the same.



## BANK STATISTICS.

## BANKS OF NEW HAMPSHIRE, APRIL AND MAY, 1851.

LIABILITIES.	Capital.	Circulation.	Deposits.	Profits.
Claremont Bank, . . . . .	\$ 100,000	\$ 81,842	\$ 9,711	\$ 1,025
Connecticut River Bank, . . . . .	90,000	72,370	10,477	125
Mechanics' Bank, . . . . .	100,000	97,156	45,610	12,297
Merrimack County Bank, . . . . .	80,000	78,130	26,206	18,554
Strafford Bank, . . . . .	100,000	89,666	27,998	10,067
Dover Bank, . . . . .	100,000	84,035	25,326	12,912
Monadnock Bank, . . . . .	50,000	42,267	4,866	1,004
Granite Bank, Exeter, . . . . .	100,000	83,925	21,956	14,941
Ashuelot Bank, . . . . .	100,000	74,622	16,793	4,569
Cheshire Bank, . . . . .	100,000	83,170	15,068	11,262
Lancaster Bank, . . . . .	50,000	29,657	12,644	. .
Lebanon Bank, . . . . .	100,000	94,123	6,553	4,328
Amoskeag Bank, . . . . .	180,000	146,191	22,648	10,600
Belknap County Bank, . . . . .	65,000	64,366	7,046	2,431
Nashua Bank, . . . . .	125,000	122,648	32,666	2,753
New Ipswich Bank, . . . . .	100,000	77,333	7,314	2,205
Mechanics and Traders' Bank, . . . . .	141,000	118,003	57,260	14,500
Piscataqua Exchange Bank, . . . . .	200,000	181,147	53,147	6,756
Rockingham Bank, . . . . .	150,000	111,084	80,830	26,145
Rochester Bank, . . . . .	119,400	77,570	6,733	4,208
Great Falls Bank, . . . . .	120,000	85,870	17,496	3,800
Warner Bank, . . . . .	50,000	45,210	1,056	1,767
Winchester Bank, . . . . .	100,000	72,364	4,606	5,028
Manchester Bank, . . . . .	110,000	106,661	36,798	14,554
Total, 24 banks, . . . . .	\$ 2,500,400	\$ 2,120,450	\$ 563,813	\$ 185,191
RESOURCES.	Loans.	Specie.	Bank Balances.	Real Estate.
Claremont Bank, . . . . .	\$ 164,536	\$ 5,118	\$ 21,924	\$ 1,000
Connecticut River Bank, . . . . .	155,427	4,571	12,874	. .
Mechanics' Bank, . . . . .	201,806	7,507	44,550	1,270
Merrimack County Bank, . . . . .	151,555	9,904	29,206	2,526
Strafford Bank, . . . . .	123,822	5,306	39,108	9,475
Dover Bank, . . . . .	188,163	4,192	23,918	6,000
Monadnock Bank, . . . . .	75,985	2,178	19,974	. .
Granite Bank, . . . . .	202,872	5,560	8,350	4,040
Ashuelot Bank, . . . . .	178,828	4,761	9,367	2,998
Cheshire Bank, . . . . .	187,950	5,840	11,750	4,000
Lancaster Bank, . . . . .	77,278	1,160	14,863	. .
Lebanon Bank, . . . . .	149,934	8,515	43,760	2,600
Amoskeag Bank, . . . . .	304,578	4,100	20,761	. .
Belknap County Bank, . . . . .	127,925	2,778	8,140	. .
Nashua Bank, . . . . .	264,498	13,228	22,371	. .
New Ipswich Bank, . . . . .	151,536	6,068	29,258	. .
Mechanics and Traders' Bank, . . . . .	306,606	4,722	19,436	. .
Piscataqua Exchange Bank, . . . . .	402,800	7,765	28,685	1,800
Rockingham Bank, . . . . .	298,951	13,436	57,673	. .
Rochester Bank, . . . . .	185,068	5,558	15,590	1,560
Great Falls Bank, . . . . .	206,342	4,842	13,012	2,960
Warner Bank, . . . . .	80,270	2,670	16,093	. .
Winchester Bank, . . . . .	166,816	3,470	7,734	4,022
Manchester Bank, . . . . .	209,460	4,668	55,905	. .
Total, 24 banks, . . . . .	\$ 4,613,045	\$ 136,107	\$ 574,322	\$ 44,360

## Recapitulation, 1847 - 1851.

LIABILITIES.	June, 1847. 20 Banks.	March, 1850. 22 Banks.	May, 1851. 24 Banks.
Capital, . . . . .	\$ 1,890,000	\$ 2,203,960	\$ 2,500,400
Circulation, . . . . .	1,512,072	1,751,086	2,120,450
Deposits, . . . . .	538,068	453,670	563,813
Surplus, . . . . .	...	135,800	185,191
Totals, . . . . .	...	\$ 4,544,516	\$ 5,369,854
RESOURCES.	June, 1847.	March, 1850.	May, 1851.
Loans, . . . . .	\$ 3,406,033	\$ 3,852,159	\$ 4,613,045
Specie, . . . . .	144,018	149,671	138,107
Bank balances and notes, . . . . .	...	543,687	574,322
Real estate, . . . . .	...	...	44,390
Totals, . . . . .	...	\$ 4,544,516	\$ 5,369,854

## BANKS OF MAINE, MAY, 1851.

LIABILITIES.	Capital.	Circulation.	Profits.	Due Banks.	Deposits.
Augusta Bank, . . . . .	\$88,000	\$84,111	\$8,945	\$17,906	\$43,118
Fresman's Bank, . . . . .	50,000	63,136	3,577	...	30,070
Granite Bank, . . . . .	75,000	80,118	4,323	470	7,070
Eastern Bank, . . . . .	100,000	106,868	3,922	6,742	18,520
Exchange Bank, . . . . .	50,000	54,736	2,144	...	15,043
Kenduskeag Bank, . . . . .	100,000	93,556	2,057	...	74,326
Mercantile Bank, . . . . .	50,000	62,798	4,218	...	43,697
Merchants' Bank, Bangor, . . . . .	50,000	60,630	428	...	17,267
Veazie Bank, . . . . .	200,000	211,330	4,676	2,130	106,115
Commercial Bank, . . . . .	75,000	47,624	1,525	731	19,370
Lincoln Bank, . . . . .	200,000	57,932	998	2,965	56,162
Sagadahock Bank, . . . . .	100,000	72,765	2,298	4,193	86,629
Belfast Bank, . . . . .	50,000	50,361	3,712	...	30,911
Biddeford Bank, . . . . .	150,000	93,696	3,957	...	29,941
Brunswick Bank, . . . . .	60,000	31,143	4,426	...	15,370
Union Bank, . . . . .	25,000	43,342	470	...	15,666
Calais Bank, . . . . .	50,000	43,106	3,701	4,806	11,132
Frontier Bank, . . . . .	75,000	21,340	8,837	026	34,254
Gardiner Bank, . . . . .	100,000	74,670	5,673	5,226	42,415
Northern Bank, . . . . .	75,000	86,363	4,364	327	33,804
Atlantic Bank, . . . . .	51,200	68,817	1,757	1,294	18,300
Bank of Cumberland, . . . . .	100,000	88,431	2,620	9,128	39,814
Canal Bank, . . . . .	400,000	342,317	27,222	17,100	142,122
Casco Bank, . . . . .	300,000	206,968	9,928	13,830	112,501
Manufacturers and Traders' Bank, . . . . .	100,000	97,075	2,771	640	22,142
Merchants' Bank, Portland, . . . . .	150,000	118,300	19,270	14,358	112,001
Manufacturers' Bank, . . . . .	100,000	59,922	5,368	...	14,896
York Bank, . . . . .	75,000	83,574	6,623	263	20,910
Stowhegan Bank, . . . . .	75,000	73,366	1,974	1,012	5,836
South Berwick Bank, . . . . .	100,000	46,532	2,114	...	12,686
Little Rock Bank, . . . . .	100,000	57,421	1,026	077	48,110
Thomaston Bank, . . . . .	50,000	54,479	526	047	68,762
Androscoggin Bank, . . . . .	50,000	24,670	5,864	...	13,655
Medomak Bank, . . . . .	50,000	65,316	3,968	...	12,548
Ticonic Bank, . . . . .	75,000	71,733	1,517	7,940	12,626
Waterville Bank, . . . . .	25,900	46,673	1,813	...	7,463
Mariners' Bank, . . . . .	50,000	45,800	1,412	260	11,876
Total, . . . . .	\$ 3,588,100	\$ 2,994,905	\$ 169,320	\$ 111,727	\$ 1,369,137

Resources.	Specie.	Real Estate.	Bank Notes.	Bank Balances.	Loans.
Augusta Bank, . . . . .	\$ 24,547	\$ 4,780	\$ 7,080	\$ 18,240	\$ 186,844
Freeman's Bank, . . . . .	15,603	. . .	14,966	17,470	98,753
Granite Bank, . . . . .	20,133	300	982	10,173	135,415
Eastern Bank, . . . . .	25,772	10,000	2,659	7,004	189,498
Exchange Bank, . . . . .	11,700	. . .	5,806	23,170	81,251
Kenduskeag Bank, . . . . .	29,168	5,000	16,416	26,765	197,600
Mercantile Bank, . . . . .	14,266	5,000	11,232	25,814	104,400
Merchants' Bank, Bangor, . . . . .	12,475	. . .	10,194	12,778	92,580
Veazie Bank, . . . . .	46,458	. . .	3,580	77,750	396,483
Commercial Bank, . . . . .	8,028	550	3,720	18,708	113,446
Lincoln Bank, . . . . .	29,536	. . .	9,672	71,020	267,530
Sagadahock Bank, . . . . .	9,296	. . .	1,926	50,542	174,118
Belfast Bank, . . . . .	8,545	3,350	987	12,750	109,344
Biddeford Bank, . . . . .	7,018	10,270	4,200	7,768	248,248
Brunswick Bank, . . . . .	4,727	500	155	18,043	87,523
Union Bank, . . . . .	10,173	. . .	. . .	28,480	45,513
Calais Bank, . . . . .	8,440	4,532	2,105	994	96,686
Frontier Bank, . . . . .	6,256	300	5,378	4,731	122,799
Gardiner Bank, . . . . .	19,572	2,000	3,190	16,744	186,546
Northern Bank, . . . . .	18,900	200	5,914	20,666	154,200
Atlantic Bank, . . . . .	17,752	. . .	3,590	15,300	104,726
Bank of Cumberland, . . . . .	14,281	11,000	27,842	15,137	171,744
Canal Bank, . . . . .	55,206	6,500	26,785	16,161	824,110
Casco Bank, . . . . .	21,483	13,030	20,000	21,570	567,145
Manufacturers and Traders' Bank, . . . . .	21,157	800	20,256	13,073	177,343
Merchants' Bank, Portland, . . . . .	44,236	. . .	10,534	60,738	298,422
Manufacturers' Bank, . . . . .	4,838	4,610	11,970	. . .	156,756
York Bank, . . . . .	15,490	4,135	1,982	15,146	149,607
Skowhegan Bank, . . . . .	12,106	1,045	430	. . .	143,607
South Berwick Bank, . . . . .	3,394	1,000	940	4,995	152,004
Lime Rock Bank, . . . . .	12,015	4,478	6,422	39,715	144,002
Thomaston Bank, . . . . .	15,973	2,600	5,355	68,707	81,178
Androscoggin Bank, . . . . .	5,346	800	1,777	27,562	68,656
Medomak Bank, . . . . .	15,432	206	262	19,334	96,600
Ticonic Bank, . . . . .	21,394	1,600	786	2,530	143,506
Waterville Bank, . . . . .	10,125	. . .	1,365	13,478	67,980
Mariners' Bank, . . . . .	9,456	4,004	4,294	10,173	61,508
Total, . . . . .	\$ 630,296	\$ 102,570	\$ 254,701	\$ 813,232	\$ 6,450,459

### Recapitulation.

The following banks have increased their capital stock at the dates mentioned:—

Biddeford Bank, 1849, Sept. 8, \$ 25,000    Commercial Bank, 1851, April 1, \$ 25,000  
 Sagadahock Bank, 1849, Oct. 1, 50,000    Lincoln Bank, 1851, March 31, 75,000  
 Man. and Traders', 1851, April 15, 25,000

The Augusta Bank reduced its capital stock, September 15, 1849, in the sum of \$22,000.

The entire bank circulation is represented to be \$ 2,994,905, of which the sum of \$ 389,000 is in bills under five dollars.

The aggregate dividends declared by thirty-two of the banks, for the last six months, were \$ 144,050, on a capital of \$ 3,373,000, equivalent to about 4½ per cent. Five of the banks enumerated are newly established, and have not yet declared a dividend.

The amount due from presidents and directors of all the banks, as principals, is \$ 224,227, and as sureties \$ 354,718, and from stockholders, as principals, \$ 278,286.

*Names of the Thirty-seven Banks in Maine, May, 1851; Location of each; Date of Charter; Aggregate Liabilities; and Last Dividend. Compiled from the Annual Abstract published by the Secretary of State, May, 1851.*

<i>Banks.</i>	<i>Towns.</i>	<i>Incorporated.</i>	<i>Re-chartered.</i>	<i>Total Resources.</i>	<i>Dividend.</i>
Androscoggin,	Topsham,	1834, Feb. 1,	1846, Aug. 10,	\$ 94,200.22	3 per cent.
Atlantic,	Portland,	1860, Aug. 28,		141,368.18	
Augusta,	Augusta,	1814, Jan. 21,	1846, Aug. 10,	241,470.92	5 per cent.
Bank of Cumberland,	Portland,	1836, March 19,	" "	240,003.70	5 "
Biddeford,	Biddeford,	1847, July 26,		277,504.78	4 "
Belfast,	Belfast,	1836, April 1,	1846, Aug. 10	134,975.30	5 "
Brunswick,	Brunswick,	1836, April 1,	" "	110,948.15	4 "
Canal,	Portland,	1826, Feb. 19,	" "	928,761.06	3 "
Casco,	"	1824, Feb. 18,	" "	643,228.01	3½ "
Commercial,	Bath,	1832, Feb. 16,	" "	144,452.22	3 "
Calais,	Calais,	1831, April 1,	" "	112,746.49	3 "
Eastern,	Bangor,	1836, March 21,	" "	234,864.00	5 "
Exchange,	Bangor,	1860, July 18,		121,923.92	
Freeman's,	Augusta,	1833, March 2,	1846, Aug. 10,	146,782.94	5 per cent.
Frontier,	Eastport,	1836, April 1,	" "	139,457.05	4 "
Granite,	Augusta,	1836, April 1,	" "	166,982.10	5 "
Gardiner,	Gardiner,	1814, Jan. 31,	" "	228,053.03	5 "
Kenduskeag,	Bangor,	1847, July 13,		274,948.44	5 "
Lincoln,	Bath,	1813, June 16,	1847, June 24,	318,058.67	5 "
Lime Rock,	Rockland,	1836, April 1,	1846, Aug. 10,	206,682.67	3½ "
Manufacturers',	Saco,	1826, Feb. 28,	" "	180,205.92	4 "
Manuf. and Traders',	Portland,	1832, Feb. 27,	" "	232,629.12	6 "
Mariners',	Wiscasset,	1836, March 21,	" "	109,434.68	4 "
Merchants',	Bangor,	1860, July 18,		196,325.32	
Mercantile,	Bangor,	1833, Feb. 21,	1846, Aug. 10,	160,713.26	5 per cent.
Merchants',	Portland,	1826, Feb. 19,	" "	413,928.92	4 "
Madonak,	Waldoborough,	1836, April 1,	" "	131,832.06	4½ "
Northern,	Hallowell,	1833, March 2,	" "	199,879.15	5 "
Sagadahock,	Bath,	1836, April 1,	" "	235,875.16	5 "
South Berwick,	South Berwick,	1823, Jan. 31,	1847, June 24,	162,330.85	3½ "
Skowhegan,	Skowhegan,	1833, March 4,	1846, Aug. 10,	167,186.57	4 "
Ticonic,	Waterville,	1831, April 1,	" "	169,815.41	3½ "
Thomaston,	Thomaston,	1826, Feb. 22,	" "	173,813.32	4 "
Union,	Brunswick,	1860, July 27,		94,467.29	
Veazie,	Bangor,	1848, July 14,		524,251.72	9 per cent.
Waterville,	Waterville,	1860, July 21,		92,848.62	
York,	Saco,	1831, April 1,	1846, Aug. 10,	186,359.55	4 per cent.
				<b>\$ 8,251,260.66</b>	

## SPECIE IN NEW YORK.

The amount of specie in the banks and Sub-Treasury is upwards of four millions of dollars less than in December last. The following statement exhibits the amount in the city banks, at the several periods named below, viz:—

	<i>City Banks.</i>	<i>Sub-Treasury.</i>	<i>Total.</i>
June 21, 1861, . . . . .	\$ 7,794,985	\$ 2,602,187	\$ 10,397,172
March 29, 1861, . . . . .	7,922,480	2,864,507	11,786,987
December 21, 1860, . . . . .	11,011,104	3,792,750	14,803,854
September 28, 1860, . . . . .	9,061,763	5,431,164	14,492,927
June 29, 1860, . . . . .	10,753,982	2,099,148	12,853,130

## BANKS OF NEW YORK CITY, JUNE, 1851.

From the New York Courier and Enquirer.

## Incorporated Banks.

Resources.	Loans.	Specie.	Bank Balance
Bank of America, . . . . .	\$ 4,515,835	\$ 1,051,092	\$ 585,421
Bank of New York, . . . . .	2,557,951	1,008,945	97,400
Bank of the State of New York, . . . . .	4,123,967	201,121	691,530
Mechanics' Bank, . . . . .	4,064,894	894,625	154,980
Phoenix Bank, . . . . .	3,352,615	258,414	154,370
Union Bank, . . . . .	2,573,401	268,803	200,219
Merchants' Bank, . . . . .	4,295,012	962,439	579,275
National Bank, . . . . .	1,521,942	131,217	23,191
City Bank, . . . . .	1,649,125	138,271	129,040
Manhattan Company, . . . . .	3,948,246	220,821	170,727
Leather Manufacturers' Bank, . . . . .	1,765,940	125,000	79,000
Butchers and Drovers' Bank, . . . . .	1,518,811	140,396	30,115
Greenwich Bank, . . . . .	531,000	31,000	94,071
Mechanics and Traders' Bank, . . . . .	582,460	22,522	127,961
Dry Dock Bank, . . . . .	166,680	13,070	49,435
Tradesmen's Bank, . . . . .	1,322,263	50,871	23,514
Seventh Ward Bank, . . . . .	1,245,713	108,922	43,655
Total, 17 banks, . . . . .	\$ 39,735,855	\$ 5,793,229	\$ 3,134,357

## Associated Banks.

Bank of Commerce, . . . . .	\$ 7,922,114	\$ 409,331	\$ 114,610
American Exchange Bank, . . . . .	4,723,020	387,732	413,657
Mechanics' Banking Association, . . . . .	1,322,877	80,378	142,073
Merchants' Exchange Bank, . . . . .	2,465,248	93,630	113,602
North River Bank, . . . . .	1,306,083	151,338	49,436
Chemical Bank, . . . . .	1,436,800	101,815	91,700
Fulton Bank, . . . . .	2,229,092	249,655	76,131
Bowery Bank, . . . . .	1,227,666	47,271	71,351
Broadway Bank, . . . . .	1,062,192	113,051	33,791
Ocean Bank, . . . . .	1,344,226	135,689	74,411
Pacific Bank, . . . . .	757,808	24,742	66,901
Irving Bank, . . . . .	333,503	26,750	28,911
People's Bank, . . . . .	467,125	26,089	23,621
Bank of the Republic, . . . . .	838,259	44,259	32,671
Chatham Bank, . . . . .	329,446	38,595	52,631
Citizens' Bank, . . . . .	328,208	40,212	56,421
Mercantile Bank, . . . . .	919,000	39,628	154,671
New York Exchange Bank, . . . . .	93,586	14,739	104,671
Bank of North America, . . . . .	1,294,757	46,956	27,061
Hanover Bank, . . . . .	575,365	47,551	30,861
Total, 20 banks, . . . . .	\$ 30,978,404	\$ 2,141,422	\$ 1,759,317

## Recapitulation.

17 incorporated banks, . . . . .	\$ 39,735,855	\$ 5,793,229	\$ 3,134,357
20 associated banks, . . . . .	30,978,404	2,141,422	1,759,317
37 banks, . . . . .	\$ 70,714,259	\$ 7,934,651	\$ 4,894,212
31 banks, March 29, 1851, . . . . .	67,515,510	7,922,480	4,466,111
29 banks, December 21, 1850, . . . . .	65,454,349	11,011,104	. . .
28 banks, September 28, 1850, . . . . .	62,466,800	9,061,763	. . .
27 banks, June 29, 1850, . . . . .	59,878,038	10,753,652	. . .

The above table shows but a trifling decrease in the amount of specie held by the banks, since Marc

*New York City.*

109

*Incorporated Banks.*

<i>LIABILITIES.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Due Banks.</i>
Bank of America, . . . . .	\$ 200,661	\$ 2,306,375	\$ 2,365,394
Bank of New York, . . . . .	469,200	2,434,820	279,500
Bank of the State of New York, . . . . .	457,769	1,771,380	1,967,241
Mechanics' Bank, . . . . .	374,754	2,310,342	1,139,879
Phoenix Bank, . . . . .	310,269	1,938,349	1,152,817
Union Bank, . . . . .	267,884	2,063,120	546,530
Merchants' Bank, . . . . .	261,665	3,041,697	2,437,144
National Bank, . . . . .	126,862	769,069	130,581
City Bank, . . . . .	146,615	1,092,296	139,302
Manhattan Company, . . . . .	373,908	1,918,300	523,123
Leather Manufacturers' Bank, . . . . .	169,000	1,026,000	306,000
Butchers and Drovers' Bank, . . . . .	291,014	1,002,941	69,224
Greenwich Bank, . . . . .	200,000	260,000	70,000
Mechanics and Traders' Bank, . . . . .	111,967	460,163	70,792
Dry Dock Bank, . . . . .	14,177	71,438	11
Tradesmen's Bank, . . . . .	260,416	662,176	26,842
Seventh Ward Bank, . . . . .	241,669	662,264	61,318
Total, 17 banks, . . . . .	\$ 4,277,779	\$ 23,849,499	\$ 11,277,711

*Associated Banks.*

Bank of Commerce, . . . . .	\$ 7,336	\$ 2,516,164	\$ 2,280,002
American Exchange Bank, . . . . .	210,000	3,066,375	2,179,263
Mechanics' Banking Association, . . . . .	269,649	1,071,244	134,243
Merchants' Exchange Bank, . . . . .	106,609	1,062,949	528,517
North River Bank, . . . . .	330,496	1,078,062	160,961
Chemical Bank, . . . . .	293,000	1,101,900	62,061
Fulton Bank, . . . . .	196,664	1,047,928	1,036,140
Bowery Bank, . . . . .	192,681	1,028,969	19,294
Broadway Bank, . . . . .	208,874	802,413	26,822
Ocean Bank, . . . . .	119,164	779,643	66,878
Pacific Bank, . . . . .	113,999	460,209	62,207
Irving Bank, . . . . .	86,698	162,674	26,647
People's Bank, . . . . .	74,317	260,283	30,326
Bank of the Republic, . . . . .	66,410	297,747	43,190
Thatham Bank, . . . . .	90,491	138,289	29,836
Citizens' Bank, . . . . .	99,360	204,199	66,996
Mercantile Bank, . . . . .	112,213	419,390	266,649
New York Exchange Bank, . . . . .	68,490	91,323	31,016
Bank of North America, . . . . .	49,487	827,610	68,027
Knickerbocker Bank, . . . . .	28,887	490,189	16,102
Total, 20 banks, . . . . .	\$ 2,801,807	\$ 16,887,160	\$ 7,094,166

*Recapitulation.*

7 incorporated banks, . . . . .	\$ 4,277,779	\$ 23,849,499	\$ 11,277,711
9 associated banks, . . . . .	2,801,807	16,887,160	7,094,166
16 banks, . . . . .	\$ 7,079,586	\$ 40,736,659	\$ 18,371,876
11 banks, March 29, 1861, . . . . .	7,404,163	28,368,697	18,171,797
9 banks, December 21, 1860, . . . . .	6,966,829	40,662,762	18,459,424
8 banks, September 28, 1860, . . . . .	6,671,163	37,203,202	13,266,070
7 banks, June 29, 1860, . . . . .	6,919,863	36,661,139	17,438,296

VOL. I.

10

## BANK OF BRITISH NORTH AMERICA.

Account showing the whole amount of the debts and assets of the Bank of British North America, at the close of the year 1850; and showing also the amount of its notes payable on demand which have been in circulation during every month of that year, together with the amount of specie and other assets, distinguishing each kind immediately available in every such month for the discharge of such notes:—

*Liabilities, Dec. 31, 1850.*

Capital, . . . . .	£ 1,000,000	\$ 4,888,888
Circulation, . . . . .	279,214	1,365,040
Deposits, . . . . .	367,617	1,748,340
Bills payable, and other liabilities, . . . . .	484,448	2,368,400
Reserve for Christmas dividend, . . . . .	25,000	122,222
Undivided net profit, . . . . .	69,543	291,100
<b>Total, . . . . .</b>	<b>£ 2,205,819</b>	<b>\$ 10,783,990</b>

*Assets.*

Specie and cash at bankers, . . . . .	£ 195,080	\$ 953,570
Bills receivable, and other securities, . . . . .	1,961,011	9,687,160
Bank premises, . . . . .	49,788	243,260
<b>Total, . . . . .</b>	<b>£ 2,205,819</b>	<b>\$ 10,783,990</b>

*Profit and Loss Account from January 31 to December 31, 1850.*

Dividends declared as follows:—

At Midsummer, 1850, payable July, 1850, . . . . .	£ 25,000	\$ 244,444
At Christmas, 1850, payable January, 1851, . . . . .	25,000	
Balance in hand, being undivided net profit to December 31, 1850, . . . . .	69,543	291,100
<b>Total, . . . . .</b>	<b>£ 109,543</b>	<b>\$ 535,544</b>
Balance of undivided net profit to December 31, 1849, . . . . .	£ 58,369	\$ 286,319
Net profit for the year 1850, after deduction of all current charges and providing for bad and doubtful debts, . . . . .	51,182	260,291
<b>Total, . . . . .</b>	<b>£ 109,541</b>	<b>\$ 535,544</b>

1850.	Circulation. Halifax curr.	Specie. Halifax curr.	Notes of other Banks. Halifax curr.
	£ s. d.	£ s. d.	£ s. d.
January, . . . . .	295,444 15 0	154,151 18 3	31,956 18 7
February, . . . . .	293,899 0 0	156,298 13 10	34,951 17 9
March, . . . . .	297,649 0 0	157,381 9 3	41,678 7 2
April, . . . . .	297,827 0 0	153,983 3 10	35,579 17 7
May, . . . . .	303,641 5 0	176,638 6 2	49,228 2 2
June, . . . . .	296,629 5 0	166,905 10 4	37,406 3 1
July, . . . . .	260,928 15 0	169,771 16 0	35,285 8 1
August, . . . . .	291,609 5 0	167,434 16 3	32,310 12
September, . . . . .	290,136 10 0	155,967 5 6	28,983 13 2
October, . . . . .	293,754 15 0	155,556 10 7	27,761 18 7
November, . . . . .	267,444 10 0	149,401 12 0	25,519 8 2
December, . . . . .	260,190 10 0	164,923 1 7	40,082 10 2

By order of the Court of Directors,

G. DE B. ARWOOD, Secretary.

Bank of British North America, }  
London, 27th May, 1851.

## NEW YORK CURRENCY.

## CIRCULAR OF THE METROPOLITAN BANK.

METROPOLITAN BANK, *New York, June, 1851.*

THE time is not far distant when this institution will receive bills of all the banks in this State, and also all New England bank-notes (deposable at the Suffolk), from its dealers here, and from country banks which may keep an account with this bank, or which may otherwise arrange with us for the redemption of their bills. Having it expressly understood, however, that this bank will agree to take only the uncurrent money received by the country banks in their ordinary business, and not such as they may receive from dealers in uncurrent money, or from banks which have made no arrangement with this bank.

The following terms are now proposed, viz. : —

1st. The Metropolitan Bank will receive bills of all the banks in the State of New York, unassorted, and pass the same to the credit of the bank which sends them, the day after they are received, at a discount of one quarter of one per cent.

2d. New England money will be received from such banks, and credited also the day after, at a discount of one fifteenth of one per cent. (equal to four days' interest). This last to be sealed up in a separate package, labelled with the name of the bank which sends it, the amount, and date.

3d. The bills of all those banks which keep an account with the Metropolitan Bank will be debited to them, less one eighth of one per cent., — thus dividing the discounts with each of such banks.

4th. The bank will allow interest at the rate of four per cent. per annum on the daily balance of such banks as have to their credit five thousand dollars and upward, but no interest will be allowed when the balance runs below that sum.

5th. The Metropolitan Bank will, to the extent of its ability, discount paper for banks keeping an account with it, and, when requested, allow them to anticipate, to a reasonable amount, the paper that they may lodge with this bank for collection, charging for such overdrafts interest at the rate of seven per cent. per annum.

6th. This bank does not, at present, propose to become the legal agent for the redemption of the bills of any banks except such as redeem at par in this city.

7th. The bills of each bank will be sealed up and delivered to the order of the president or cashier.

8th. This bank proposes to receive from those banks which now do, or may hereafter, redeem in this city, at par, all uncurrent money of this State, and also all New England money received by the Suffolk Bank, on the same terms, viz. : — New York State money will be credited less one quarter of one per cent., and New England less one fifteenth of one per cent., the day after it is received; and their own bills will be redeemed by this bank, as their legal agent, at par: Provided, such par redeeming banks shall each keep in the Metropolitan Bank, without interest, a balance not less than five thousand dollars, and pay interest at the rate of seven per cent. per annum whenever the balance falls below that sum; this bank agreeing to pay interest on the daily balance above five thousand dollars at the rate of four per cent. per annum.

This proposition must be understood as subject to such modifications hereafter as may seem necessary and equitable.

Timely notice will be given of the day when this bank will be prepared to receive uncurrent money.

J. E. WILLIAMS, *Cashier.*

*Circular issued July, 1851.*METROPOLITAN BANK, *New York, July 8, 1851.*

8th. — This bank will now receive from you such uncurrent money, and such only, as you may take in the regular or ordinary course of your business, on the following terms, viz. : — New York State money at a quarter of one per cent., and New England money (deposable at the Suffolk Bank) at one fifteenth of one per cent. discount, with the understanding that the amount is not to be drawn out until the day after it is deposited. And provided further, that the New York and New England money be put in separate straps, designating each, and marking the amount, the date, and your name, thereon. Such bills, with a ticket prepared like the one inclosed, to be deposited before two o'clock with the Uncurrent Money Teller, who will examine and return the said ticket for the amount, less the exchange. This ticket for the net amount will then be depositable with the Receiving Teller, either with or without your current funds.

JOHN EARL WILLIAMS, *Cashier.*



## OHIO FREE BANKING LAW.

We publish this important law, and add a synopsis of its main provisions. It authorizes associations of not less than three persons to engage in the business of banking, with a capital stock, divided into shares of \$ 50 each, of not less than \$ 250,000, nor more than \$ 500,000, of which sixty per cent. must be paid in before the bank goes into operation. Bank-notes of the denominations of one, two, three, five, ten, twenty, fifty, and one hundred dollars each, payable on demand, at the usual place of business of the bank, are to be engraved under the supervision of the Auditor of the State, and to be countersigned, numbered, and registered in his office. These notes are to be delivered to the bank in exchange for an equal amount, not exceeding three times the capital of the bank actually paid in, of Ohio or United States stocks, these stocks to be estimated neither above par nor above their market value. Associations organized under this act are created bodies corporate till 1872, and thereafter, till the repeal of the law; and they are invested with the ordinary privileges of a corporation, but their right to hold real estate is limited to the quantity necessary to the convenient transaction of their business, and to such property as is pledged to secure a debt, or may be purchased on execution to satisfy judgments obtained in their favor, and this last they may hold only long enough to avoid loss by the transaction; and before its sale by the bank the preceding owner or representative may redeem it by paying all the costs incident to its transfer to the bank. No bank can take its own stock as security for a loan, nor can it buy its own nor the stock of other incorporated companies, except to save itself from loss, and then it can only hold the same for six months. No officer of a bank may act as a proxy in elections. Directors, of which there shall not be more than five, nor less than three, must reside in this State. Each bank is required to receive the notes of every other specie-paying bank in payment of debts, and must have specie on hand equal to thirty per cent. of its circulation. The penalty for official fraudulent delinquency is imprisonment in the penitentiary from five to ten years. In case of failure of a bank to redeem on demand, and of protest of its notes, all banking business must be suspended, and the Auditor of State, within twenty days of failure, is required to sell the stocks pledged to secure the circulation, and divide the proceeds *pro rata* among the bill-holders, and for any deficiency the stockholders are individually liable, in proportion to their stock, to the full amount of the stock held by them. Where a bank is owned by six stockholders, they shall be individually liable, as natural persons, for all debts and liabilities of such bank. The circulating notes of a suspended bank draw interest at the rate of fifteen per cent. per annum. If a bank purchase its own notes at a discount, all its stockholders are made individually liable for the discount, for interest due on the bills so purchased, and for twenty-five per cent. damages on the sum purchased. — *Cleveland Herald, May 29.*

## LEGAL MISCELLANY.

## CHECKS ON BANKS. — FRAUD. — FORGERY.

*Before the Supreme Court of Louisiana.*

## JOHN CHANDLER SMITH vs. MECHANICS AND TRADERS' BANK.

In this case, appealed from the Fifth District Court, where judgment was rendered for the plaintiff, the Supreme Court has rendered its decision. The facts were these : — Smith discounted a forged note, purporting to have been drawn by Payne & Harrison. The discount was obtained by a person who was an utter stranger to Smith, who gave a check on the Mechanics and Traders' Bank for the proceeds of the bill, amounting to \$2,900, which check was made payable to the order of Payne & Harrison. The check was presented with a miserable counterfeit in the signature of Payne & Harrison, — in fact, the last name was not spelt properly, for the indorsement was written "Payne & Horrín," or "Payne & Horrím." The check was paid without hesitation by the bank teller, and charged to Smith. Smith refused to acknowledge the charge; and, the bank insisting, the suit was the consequence. In the evidence, it was shown that Payne & Harrison were not known in the bank, never having had an account there, but Smith had an account, and had dealt with the institution for a long time. The District Court decided in favor of Smith, but the Supreme Court reversed the decision. Three of the judges, viz. Eustis, Roost, and Preston, were for the reversal, and Slidell, dissenting, was for affirming the decision of the lower court.

It turned out that the name of the drawer, a planter, as well as the name of the acceptor, was forged. It was presented by a stranger, no doubt the counterfeiter, to whom was given a check on the Mechanics and Traders' Bank in favor of Payne & Harrison for the proceeds. By a forged indorsement of their name, the amount of the check was drawn from the bank, and Smith sues for the balance of his account without deducting the check.

If the defendants are liable at all, it is either for negligence in paying the plaintiff's money on a forged indorsement, or absolutely, whether negligently or not, because they paid out his money deposited with them to other persons than those to whom he ordered payment.

On the score of negligence, Smith was more in fault than the defendants. He gave out his check on the forgery of the name of the drawer and the acceptors of a draft. The name of these acceptors alone was counterfeited on the back of the check, and deceived the defendants. He had the time and leisure to discover the reality of this transaction, and should have used both before giving his check on a double forgery. It could have been done by stepping to the counting-house of the acceptors, probably but a few squares from his office.

The paying teller of the bank, seeing his well-known name to a check in favor of and indorsed by a well-known house, might easily be led by his signature into the error of taking for granted that the whole was genuine. He had no leisure to go out to verify the signatures of the acceptors, but was confined to his counter. Checks, it is a matter of notoriety, are constantly pouring in upon the paying tellers of our few remaining banks.

On the score of negligence, Smith was most in fault, and might well excuse that in defendants of which he himself was doubly guilty,

with far more facilities of avoiding its effects. Where two parties are equally guilty of negligence, he who suffers loss must bear it, and neither can recover from the other. 3 Burr. Rep. 1354. 1 Black. 390. 2 Term Rep. 70.

But the main ground of the plaintiff's action is that he ordered the money to be paid to Payne & Harrison, and that the bank paid it to other persons. The fallacy of the argument in support of this ground consists in this, that, having given out his check, it was immaterial to Smith to whom the money was paid. His check being out, the money he deposited in bank, to the amount of the check, was no longer his. He had parted, for its supposed value, with all his interest in the check and the money it represented.

That the holder, perhaps an innocent holder of the check, drew the money, was no injury to him; the injury to him was done before, by the counterfeiter, in imposing a forged draft upon him.

The money in bank belonging to the holder of the check, it was in the power of the holder to go to Payne & Harrison to give it in payment of a debt, or purchase goods with it, or obtain its discount, and the check would have become theirs also, the money in bank, and the transaction binding upon Smith, beyond a doubt. He thus puts it into the power of the counterfeiter to dispose of his check and money. It was his business to stop the payment of the check, and to regain it before it got into the possession of an innocent holder, and his misfortune and loss if he failed to do so.

For, in fact, Smith did not order the money to be paid to Payne & Harrison, but through them to the counterfeiter. He gave his check which represented his money to the counterfeiter for a draft supposed to be genuine, and not to Payne & Harrison, with whom he had no transaction, and who would not have indorsed, or incurred any responsibility with regard to it, until it became theirs by some transaction with the holder. And therefore, as well observed by the counsel for the defendants, no action can be found in the books, in which the drawer of a genuine check has recovered its amount from a banker on account of a negligent payment of the check. If made payable to the order of the payee, the right of action belongs to him for the payment on a forged indorsement, but in no case has such a right been claimed by the drawer of the check.

The paying teller of the bank, so far as Smith was concerned, was bound to know only his signature. The bank was the depositary of his money, and bound to pay it on his check, which was genuine. As to him, the bank was not bound to send out and ascertain the genuineness of the signatures of the indorsers of the check. They were required to do so to secure themselves from liability to the indorsers alone. The bank was not bound to know the genuineness of the signature of Payne & Harrison only at the risk of being liable to them and not to Smith.

It is not contended that Payne & Harrison have any right of action against the bank. If they had, it is their right of action, not the plaintiff's.

The drawer of a check has never recovered from the banker unless

his name was forged, or, as in the case of *Hall vs. Fuller*, when the amount was altered from £ 3 to £ 330, and the last sum was paid by the banker. He checked for £ 3, and was to be charged with that sum, and not £ 330, for which he did not check. But he is to be charged for the sum for which he actually checked, unless there be greater negligence in paying it than that of which he himself was guilty.

Smith had no suspicion of the genuineness of the transaction with the stranger, for then it would have been his duty, in order to recover, to have communicated his suspicions to the bank, and stopped the payment of the check, and he could not use the name of Payne & Harrison to impose on the bank a risk he was unwilling to incur himself.

He had no transaction with Payne & Harrison which authorized him to use their name as payees of the check. The use of it was fictitious as to them, and fictitious as to the bank, and can give him no rights which he would not have had if the check had been made payable to bearer or to a fictitious person, in which case it is admitted he could not recover the money paid in the check from the bank.

It does not appear to me to be in the ordinary course of business to make a check payable to a payee with whom he has no business transactions, and on that account Smith, and not the bank, should bear the loss. The case should be likened to a check to the order of a fictitious person, which has often been held to be the appropriation of so much money to be charged to the drawer and credited to the account of the holder of the check or bill, as the case may be. Both are out of the ordinary course of business, and should expose to loss only the author of the fiction, if there be reasonable care on the part of the other parties to the transaction.

In fact, courts should encourage only real, and not fictitious transactions, which are so liable to give rise to losses.

It has been urged that, if I give a check to a tradesman for goods, payable to his order, and it is paid without his order, I can recover the amount from the banker.

I think not. The tradesman took the check in payment of his goods, and I was discharged from his bill. "My genuine check" was charged to my account, and I could only claim the balance of my deposit. The tradesman could sue the bank for the amount of the check, because the money belonged to him as holder of the check, and was paid without his order, on a forged indorsement. But having paid my bill with the check, and got my discharge, I can have no such right of action.

I am of opinion, for these reasons, and those given by the Chief Justice, that the judgment of the District Court should be reversed, and judgment rendered for the defendants, with costs.

#### *Dissenting Opinion of Judge Slidell.*

The facts out of which this suit has arisen are as follows: — On the 7th of November, 1850, a person unknown to Smith, who is a money broker, offered to him, for discount, a bill of exchange for \$ 3,000, at ninety days after date, purporting to be drawn at Donaldsonville, No-

ember 5th, 1850, by W. C. S. Ventriass, in favor of W. P. Garland, and by the payee indorsed, upon and accepted by Payne & Harrison, of New Orleans. It is admitted that the names of the drawer and acceptor are forged. Smith discounted the bill, and gave his check for \$2,908.67, on the Mechanics and Traders' Bank, payable to the order of Payne & Harrison. The check was paid at the bank on the same day, to an unknown holder, the name of Payne & Horrion (or Horrion) being written thereon. Both the acceptance of the bill and the indorsement of the check are proved by a member of the house of Payne & Harrison to be forgeries. Payne & Harrison are not customers of the bank, but, being a prominent house, they pay, as testified by one of the house, large amounts of their discounted and collection paper in that bank. It is in evidence that Smith had been for many years a customer of the bank, and was in the frequent habit of drawing his checks to order when he discounted mercantile paper. The motive would seem to have been (though there is no admission or direct proof as to this particular case) to guard against any want of title on the part of the person getting the discount, by making it necessary for him to go to Payne & Harrison and get their indorsement. That Smith had doubts whether the acceptance was genuine is quite improbable, considering he took it at a rate which is not pretended to be unusual. It is proper to add, that the appearance of the bill, which has been exhibited to us in the original, is not suspicious. The body and signatures, it seems to me, have a free and genuine character, to one not acquainted with the handwriting of the parties.

We may here observe, as a matter not proved in this case, but familiarly known to those who are acquainted with the daily course of business in New Orleans, and frequently shown by our own records, that money is raised by or for the planter through the accommodation or acceptance of his factor, discounted in the New Orleans market; or the planter gives such bills for purchases, at his plantation, of Western produce, pork, corn, horses, &c., from the passing flatboatman or drover. The acceptor himself is sometimes the party who gets the acceptance discounted, and puts the proceeds to the planter's credit in account. The question we have to decide is, whether the bank has a right to charge Smith's check so issued and paid to his debt in account.

The District Judge has decided in the plaintiff's favor, and the bank has appealed.

It is said that Smith committed the first fault in permitting himself to be imposed upon for want of proper previous inquiry; that he gave the stranger the means of imposing upon the bank, by the forged indorsement of a house whose signature was not in the bank; that he is a broker, who receives propositions at his leisure, can tell the applicant to call again, and meanwhile inquire; that the paying teller is confined to his counter, and, having a great press of business, cannot stop to verify every signature, and is only bound to know that the drawer's name is genuine.

Some of these propositions are certainly not without force, but it seems to me that they cannot control their case when we analyze

the nature of the contract between the bank and Smith. What was it? The defendant agrees to receive his money on deposit, which is an advantage to the bank, because it has the use of the money, the deposit not being special, and agrees to pay it out as he may order. Now, here Smith ordered the bank to pay the sum to Payne & Harrison, to their order, to be shown by their indorsement. But the bank has not paid it to Payne & Harrison, but has paid it to some one without their indorsement, and upon an indorsement which does not even purport to be theirs. The duty, therefore, which the bank for a valuable consideration undertook to perform, has not been fulfilled. Instead of paying as he directed, it has been paid against his directions, and my brethren, as I understand, all think that, in the payment of this check, there was gross negligence on the part of the clerk of the bank.

As long as Smith kept himself within the terms of his contract with the bank, they would seem to have no right to inquire into and find fault with his reasons for drawing the check to Payne & Harrison's order.

Smith had no intention to do the bank an injury in the course which he pursued, he merely used the right given to him under the contract with the bank for his own protection. If the bank had fulfilled its duty, by requiring a genuine indorsement, the guilty person would have been foiled.

The precaution taken by the plaintiff is not unusual. People frequently do it without intending any wrong to the banks, or any idea that they are doing an act of which the propriety could be questioned. A person, for example, whom you do not know, brings you a tradesman's account, which you pay, by check, to the tradesman's order, thus guaranteeing yourself that the check must go into his hands, or else not be paid, and so you cannot be defrauded by a person untruly representing himself as the tradesman's clerk. A business man would hardly say this was negligent or wrong.

My impression is, that it is not unusual among merchants, if a stranger presents a bill of exchange for payment, to ask him if he is acquainted with any respectable house or person, and if he names one, to give him a check to the order of such person or house. We are not informed by the evidence what passed between Smith and this stranger, and cannot know, since Smith could not offer himself as a witness, and no one else appears to have been present. For aught we know, Smith may have put this question to the stranger, and the check thus have taken the form it presents, or Smith might have supposed the person was sent by the acceptors to get the bill discounted. We are not to presume bad faith on Smith's part.

The learned counsel for the defendants has asked us to apply to this case the well settled rule respecting fictitious payers, to wit: that if a bill or note import to be payable to a person not *in esse*, or his order, and is issued with an indorsement in blank purporting to be made thereon by him, it is, against the drawer or maker, to be considered as a bill or note payable to bearer; and so is a bill against the acceptor, if he knew at the time of his acceptance that the payee was a fictitious per-

son. But this assumes that Payne & Harrison were fictitious payees. On the contrary, they were persons *in esse*, and the plaintiff intended that the stranger who negotiated their acceptance should go to them and get their indorsement.

It is said there is no case in the books where the drawer has recovered, when the bill has been paid on a forged indorsement, and that Payne & Harrison are the only persons who could maintain an action against the bank. The reason why the books do not show such actions is because the payee or indorsee whose indorsement has been forged is generally the party who, having been the holder of it, has lost its possession by accident or theft, and so has suffered the loss. But here Payne & Harrison never owned the check, but were merely intended by the drawer as intermediaries, through whom the check would pass. The testimony of one of their house shows that the only lawful interest is in the plaintiff, and of course, by their intervention through one of their own house as a witness in this cause, they would be estopped from ever making any claim against the bank.

Without being considered as expressing a positive opinion upon the point, I think it proper to add, that I am not prepared to say that, if the bill had been a genuine bill, which had been lost or stolen, and got unlawfully into the possession of the stranger, the true owner could have recovered the bill from Smith upon the evidence we have before us. See the cases and authorities cited in *Wilcox vs. Beal*, 3d Annual, 407.

This case certainly shows that banks, by permitting their depositors to draw checks to order, expose themselves to an increased responsibility; but if they do not choose to take deposits on those terms, it is in their own power to remedy the inconvenience by requiring their customers to draw their checks to bearer.

I think the judgment should be affirmed.

#### BANK BALANCES. — SET-OFF.

*ESTHER V. WEISSER and G. W. HEWNINGS vs. CHARLES DENISON, President of the North River Bank.*

THIS was an action to recover a balance of \$ 1,739, alleged to have been due by the bank to the late Wm. Weisser at the time of his death, in August, 1849. The bank admitted that \$ 1,150 was due to the deceased, and contended that they had paid the balance of the \$ 1,739, being \$ 589, claimed by the plaintiff. According to the books and vouchers of the bank, no more than \$ 1,150 was due to the deceased. But the plaintiff alleged that the \$ 589 had been drawn from the bank on fifty-one forged checks, alleged to have been forged by a confidential clerk of Weisser's. The evidence as to the checks being forged was so conflicting as to leave the matter in considerable doubt, — some of the witnesses who were examined on this point testifying to some of the genuine checks being forgeries, and some of the alleged forgeries being genuine. It was also alleged that some of the forgeries were genuine

as to the signature, but forgeries as regarded the filling up. It was contended for the defence, that while Weisser kept his account in the bank, from January, 1848, to August, 1849, he had repeatedly sent his bank-book to the bank for settlement, and his checks were returned to him, and never having disputed any of the checks as being forged, he adopted them as his own, and was now precluded from denying them.

The court charged the jury: In this case it is not necessary to detain you by many comments on the evidence. I am unwilling to give any bias to your judgment in the matter. It is a case exclusively for you to determine. I shall therefore confine myself merely to the facts in the case. It is admitted that a series of frauds were perpetrated by a clerk in Weisser's employ, and it is not denied that the money did not reach his hands. You must be satisfied that the signature as well as the filling up is a forgery, and if you come to this conclusion, that the checks are forged, I charge you to find for the plaintiffs with interest.

The jury found a verdict for the plaintiffs of \$ 1,896, being the amount claimed, with interest. For plaintiffs, Sandford and Porter. For defendant, Theodore Hinsdale and Mr. Kimbell. Before the Supreme Court of New York, Judge Duer presiding.

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#### LIABILITIES OF BANKS.

A RATHER important case to bankers was tried in the Superior Court of New York a few weeks since.

*Thatcher vs. Bank of the State of New York.*—Plaintiff, who resided in St. Louis, drew a bill of exchange on Daniel Thatcher, who accepted it, payable at the Bank of the State of New York; where, however, he kept no account. On the day of the maturity of the acceptance, E. D. Morgan & Co. left with the paying teller a certified check for the amount of the acceptance, and requested him to pay it. He neglected to do so,—the bill was protested, and drawer brings his action against the bank and the acceptor to recover the ten per cent. damages he was obliged to pay upon the return of the bill. The defence among other things set up that the teller was the agent of E. D. Morgan & Co., and not of the bank. The judge directed a verdict *pro forma*, in order to bring the case up to the general term. Until the non-liability of the bank be judicially established, it will be advisable for tellers not to take checks or invoices. What has hitherto been considered a matter of courtesy may be construed an engagement upon the part of the banks.

*Notes.*—We publish this case, not because it establishes the law on the point in dispute, but in order to guard banks and brokers against encouraging such a deviation from correct dealing as was attempted in the instance now cited. Banks generally have business enough to attend to for their own customers, without being annoyed by the irregular transactions of others. In the present instance, the bill should have been made payable at the counting-room of E. D. Morgan & Co.—Ed. B. M.



## A PRACTICAL TREATISE ON BANKING.

By J. W. GILBART, Esq.,

GENERAL MANAGER OF THE LONDON AND WESTMINSTER BANK.

Continued from page 73, July No.

## SECTION IV. THE COUNTRY BANK CIRCULATION. V. COUNTRY JOINT-STOCK BANKS. VI. THE BANKS OF SCOTLAND.

It will be seen by the following Table, that the country circulation is governed by the same laws since the passing of the Act of 1844 : —

*An Account of the Average Circulation of the Private and Joint-Stock Banks of Issue, during the last Week in the Months of April, August, and December, for the Years 1845, 1846, 1847, and 1848.*

Date.	No. of Banks.	PRIVATE BANKS.		No. of Banks.	JOINT-STOCK BANKS.	
		Authorized Issue.	Actual Circulation.		Authorized Issue.	Actual Circulation.
1845.		£	£		£	£
April 26	199	5,011,097	4,655,636	71	3,477,321	3,272,034
Aug. 30	199	5,011,097	4,369,458	71	3,477,321	3,129,952
Dec. 27	197	5,009,021	4,481,038	70	3,469,872	3,160,010
1846.						
April 25	197	5,009,021	4,700,170	70	3,469,872	3,229,744
Aug. 29	197	5,009,021	4,384,136	70	3,469,872	3,085,200
Dec. 26	196	4,999,444	4,528,208	67	3,418,277	3,145,702
1847.						
April 24	196	4,999,444	4,700,169	67	3,418,277	3,228,717
Aug. 28	196	4,999,444	4,150,688	67	3,418,277	2,927,462
Dec. 25	187	4,880,389	3,525,157	65	3,261,906	2,417,528
1848.						
April 29	187	4,880,389	3,919,739	67	3,409,987	2,834,799
Aug. 26	187	4,880,389	3,473,839	67	3,409,987	2,455,664
Dec. 30	184	4,822,488	3,492,340	66	3,409,987	2,529,498

From the pressure in the year 1847, the country circulation in December was less than in August. Will they who contend that country bankers can extend their issues as they please, have the kindness to inform us why those bankers did not increase their issues when money was so valuable ?

I cannot better state my own views of the principles of the country circulation, than by transcribing a portion of my evidence given before the Committee on Banks of Issue, in March, 1841, when examined by Sir Robert Peel : —

“ *Sir Robert Peel.* — Would you recommend that the paper thus issued should be convertible into gold at the will of the holder ? — Yes.

“ You think that is an absolutely necessary check against excessive issues ? — I think it is a necessary check.

“ What reference is made in the issue of paper to the quantity of gold in the country, and to the ultimate ability of the parties to discharge their paper engagements in gold ? — The bankers in issuing their notes do not make any reference to the quantity of gold in the country, but they make

reference to their ability to discharge those notes when returned to them for payment.

"What is the nature of the reference which they make? — By keeping securities available for the purpose of being sold in order to discharge those notes whenever presented to them for payment.

"They have no reference whatever to the state of the exchanges? — No; when I say no, I mean not with the view of regulating the amount of notes by the exchanges; but bankers, whether banks of issue or not, notice the exchanges as naturally as they would notice the prices of the funds, in order that they may be able to judge as to the future value of money, so as to exercise their discretion with reference to their investments.

"They do not notice the state of the exchanges with a view to determine the policy of contracting or increasing their issues? — No; not with a view of making the amount of their issues correspond. If they see that the exchange is likely to become unfavorable, bankers will naturally be more cautious in making advances, and more cautious of coming under engagements, than they would be when they found that the exchanges were favorable; but there is no intention on the part of the country banks to make their notes correspond with the amount of the bullion in the Bank of England.

"A country banker would rely upon the sale of his securities, and that only in case of a demand for gold? — In case of a general run, he would depend upon the stock he had in hand, and the further stock he might realize by a sale of securities.

"If all parties continued to issue, none of them having reference to the state of the exchanges, but relying upon the available resources which a sale of securities might supply, do not you think that there might be a danger of a sudden demand for gold, and of an inability on the part of those issuers to discharge their engagements in gold? — I do not think there would be any danger of that at all, because each bank would take care of itself; if you suppose that the whole circulation of the country comes in at once and demands gold, it is quite clear that gold cannot be found to pay it off, and that is equally the case with the Bank of England and any other bank, and it is equally the case with us who are banks of deposits; if all the depositors were to come together at the same time and require their deposits, we should be unable to pay them, but we could realize our securities, and pay them off, if they were to come gradually.

"Suppose there was one bank which had the charge of the paper circulation of the country, and had the means, therefore, by constant reference to the state of the exchanges, of determining the amount of the paper circulation, do not you think that there would be a greater security against a sudden demand for gold, and an inability to pay that gold, than there is when there are a great many issuers, none of whom, according to your own statement, pay the slightest regard to the state of the exchanges? — No, I think not.

"What then supplies the check? — The check upon the private bankers is, that their circulation cannot be issued to excess; whereas, if you had a bank which should issue notes for so much gold, then every time

there was a favorable course of exchange, there would be a large issue of notes, which notes would necessarily reduce the rate of interest, lead to speculation, and turn the exchanges again by causing investments to be made in foreign countries. Now, as issues are at present conducted, bankers are under several checks which would not apply to such a bank; for instance, the check of the interchange with each other of their different notes once or twice a week, and the check of having their notes payable on demand; whereas the notes of such a bank as you suppose would not be diminished except when gold was wanted to be sent abroad. Another check is the practice of giving interest upon deposits, by which all the surplus circulation is called in and lodged with the banks; now, such a bank as you have supposed would not be under the control of those checks, and it would be under the necessity of increasing the circulation whenever the exchange became favorable; and we know by experience, that the most sure way of making the exchanges unfavorable is a previous excessive issue; that previous excessive issue would necessarily arise, on the principle you have supposed, every time the exchange was favorable.

"You think that there is some cause in operation which applies equally to all issuers of paper, and prevents any undue issue of paper, and dispenses with the necessity of any reference, on the part of each issuer, to the state of the exchanges? — That is the case with all country issuers of paper. With regard to the Bank of England, who have the power of issuing their notes in exchange against bullion, in the purchase of Exchequer bills and Government stock, it is quite clear that notes put into operation in that way, being thrown in a mass upon the previously existing state of trade, will have the effect of raising prices and reducing interest, and turn the exchanges; but if notes are issued merely to pay for transactions that have previously taken place, and are drawn out by the operations of trade, those notes will have no such effect.

"Supposing, at present, the Bank of England observed that the exchanges continued unfavorable for a long period, and that there was a progressive diminution in the amount of their bullion, and supposing that they saw that in the course of two years their bullion was reduced from ten millions to four millions; do you think it would be desirable that the Bank of England should take any step whatever to guard against the ultimate consequences of that state of things, by restricting the paper circulation? — I think such a case may occur, but I think in ordinary times the Bank of England might hold foreign securities, by which they would bring back gold to this country, and thus prevent any necessity for a contraction of the circulation; at the same time, I do not at all question the possibility of such a case occurring as may render a contraction necessary; nor do I at all question the influence of a contraction to have some effect upon the exchanges; but I contend that, as an ordinary principle of action, the bank ought not to expand their circulation, so as to cause the exchanges to be unfavorable, nor calculate upon a contraction of the circulation for the purpose of remedying the exchanges.

"Then you do think that the expansion of the circulation of the Bank of England may cause unfavorable exchanges? — Yes.

"Why should not the expansion of the circulation on the part of the country issuers produce the same effect? — Because the country circulation is under checks, whereas the Bank of England circulation is not; the country circulation can be issued only in consequence of transactions which have taken place, and to the extent only required by the wants of the district; whereas it is obvious that the Bank of England has the power of increasing the circulation by the purchase of exchequer bills or stock, or by purchasing bullion, and throwing a mass of notes on the market when the state of trade does not require them."

*Chairman.* — "Have you any further observations to make to the committee? — When the first question was asked of me, at the commencement of my examination, I stated that I appeared before the committee as the representative of the joint-stock banks, and that, therefore, in expressing any opinions consistently with the resolutions which they had passed, I wished to be considered as speaking the sentiments of the joint-stock banks, but, should the committee ask me any question not connected with the circumstances of country issues, that I wished to be considered as speaking my own individual opinions. The points upon which I wish to be considered as speaking the sentiments of the joint-stock banks are as follows: I speak the opinions of the joint-stock banks, in saying that their circulation cannot be made to fluctuate in exact conformity with the circulation of the Bank of England, or with the stock of gold in the Bank of England; that the country issue is drawn out by the demands of trade, and is subject to checks to which the circulation of the Bank of England is not liable; that the country bankers have not the power of issuing their notes to excess; that they cannot contract their circulation or expand it as they please; and also, that the country circulation does not influence the prices of commodities, and that it cannot be regulated by the principles of the foreign exchange. I speak the opinions of the joint-stock banks when I say that the abolition of the country circulation would cause very considerable distress; would limit the power of the country banks to grant the same accommodation to their customers; would compel many of their customers to sell their property, thus lessening the value of real property; that country bankers would be compelled to increase their charges to their customers; and, in some cases, that those banking establishments would be altogether abolished, in consequence of not being able to supply sufficient profit for carrying them on; that, in some other cases, however the country circulation would be substituted or superseded by a bill circulation, nevertheless considerable distress would exist throughout the country, and that not only country banks themselves, but their customers and the public in general, would be subject to very considerable loss and inconvenience. In other opinions which I have expressed with regard to the regulation of the currency, and the principles upon which the Bank of England ought to be managed, also, as regards the extracts which have been made from my own works, and other matters I need not particularly specify, I wish to be understood as giving my own opinions, without saying whether those opinions do or do not meet the concurrence of the joint-stock bankers. I take the responsibility of these entirely upon myself."

The country bankers residing in the same neighbourhood usually make their exchanges once a week, and pay the difference in London on the following day. This arrangement is of considerable advantage to all parties. Suppose I as a country banker receive in the course of a week the sum of £ 10,000 in the notes of a neighbouring bank, and that bank receives the same amount of my notes ; if we exchange notes, there is an end of the transaction. I pay the notes that bank has upon me by the notes I have upon that bank, and each of us has £ 10,000 less in circulation. But suppose we refuse to exchange notes with each other, then I take his notes and demand Bank of England notes and sovereigns, and he does the same with me. Hence each of us must keep a balance of £ 10,000 more in gold or Bank of England notes, and also an additional sum to answer any sudden emergency that may arise at any time from that banker having more than the usual amount of notes, and to meet any run that he may be disposed to make upon me. Thus it is that country banks, by exchanging notes, and receiving payment of the difference in London, are enabled to carry on their business with a less amount of ready cash, and to prevent the danger that might arise from being run upon by each other. Those banks only exchange which are in the same neighbourhood. Were I to receive the notes of a bank at some distance off, I should send these notes to London, and that banker would send my notes to London, and they would be paid by our London agents. We should not exchange with each other, because it would cost more to send a messenger with the notes to be exchanged, than it would cost postage to London. Here I have to pay the postage of these notes to London, and I have also to pay the expense of having my notes which have been paid in London sent down to me.

The exchange between any two banks established in the same place, will be regulated by the character and extent of the business they may respectively carry on. The balance may for a considerable length of time be uniformly in favor of one of these banks, and then for a considerable period in favor of the other ; or it may fluctuate weekly, and at the year's end be found to be neither favorable nor unfavorable. I shall endeavour to investigate the causes which govern these changes. In the first place, I shall presume that each bank is a bank of deposit, of discount, of remittance, of agency, and of circulation. The claims upon each bank will then consist of, — 1. Cheques drawn against deposit accounts. 2. Its own notes. 3. Notes issued by its agents or other branches. 4. Letters of credit granted by agents or branches. These claims or obligations will get into the possession of the rival bank by some of the following ways : — 1. As lodgments on deposit accounts. 2. In payment of local bills. 3. For bills or letters of credit on agents or branches. 4. Received for collection by post from some agents or branches. The exchanges will now be more or less favorable according to the following circumstances : —

1. The discounting of bills not payable in the place where the banks are established, has a tendency to render the exchanges unfavorable.

If, for example, a country banker discounts bills payable in London, he issues his own notes for the amount at the time the bill is discounted, and

some of these notes will get into the rival bank and render the exchanges unfavorable. When the bills are due, the London agent receives the amount from the accepters; but this has no effect on the local exchange. Hence a bank that discounts a large amount of London bills must expect to have large sums to pay in the exchanges. There are some cases, however, in which the discounting of London bills will not affect the local exchange: these are, — 1. When the amount of the bill is not taken in notes, but in a draft on the London or some other agents. 2. When the amount of the bill is placed to the party's current account, the exchanges will not be affected so long as it remains on that account. 3. The exchanges will not be affected, if the notes issued for the London bill should be retired either by the bank that issued them, or by any of its agents.

2. If a bank has to pay a large amount, or letters of credit, issued upon it by its agents or branches, the exchanges may become unfavorable.

The exchange between any two banks may be affected by other circumstances than local connections. If one bank is *drawn upon* by agents or branches, or has to pay notes issued by agents or branches, and the other has no such connections, then the exchange will be unfavorable to the former bank and favorable to the latter. Some of these notes or letters of credit, and some of the notes issued for the letters of credit, will probably get into the possession of the rival bank, and appear in the exchange.

3. If a bank issues a large amount of bills, or letters of credit upon its agents or branches, the tendency is to render the exchange favorable.

The bank receives the money for these bills or letters at the time it issues them. This money will often be composed of the notes chiefly in circulation, and a part of them will consist of the notes or obligations of the rival bank, and will be paid in the exchange: or if the bank receive from its agents or branches any claims upon the rival bank, or even any bills to be collected, the effect will be to render the exchange favorable in the same way as the granting letters of credit upon those agents or branches.

4. The increase of lodgments on current accounts has a tendency to render the exchanges favorable.

On these accounts money is received and money is paid out daily. The receipts of money tend to throw the exchange in favor of a bank, because some portion of these receipts will consist of the obligations of the rival bank. The payment of money tends to render the exchange unfavorable, because some of the notes issued in payment will find their way into the other bank. When therefore the receipts are more in amount than the payments, the exchanges are likely to be favorable. When the total deposits lodged in a bank continue to increase, the exchange will probably be favorable *during the progress of* such increase; but after the deposits have ceased to increase, the exchange will not be more favorable than before the increase began. As long as the amounts of the deposits in the respective banks remain stationary, the operations on those accounts will not affect the exchanges, although the deposits in one bank may be twice the amount of those in the other. But if from a transfer of accounts or from other causes the deposits increase in one bank and di-

minish in the other, the exchanges during these operations will be in favor of the bank whose deposits are on the increase. But let the progress of increase be over, and the amounts of the respective lodgments become permanently fixed, then as far as the operations on the current accounts are concerned the exchanges will again be equal.

5. An increase in the amount of local bills under discount has a tendency to render the exchanges unfavorable. Local bills are bills payable in the place where the bank is established. The operations on the local bill account are similar to those on the deposit account. When these bills are discounted, notes are issued, — when the bills are paid, notes are received. When the amount of local bills paid is greater than that discounted, the tendency is to render the exchanges favorable. Thus, to reduce the amount of local bills under discount, is to render the exchanges favorable; and to increase the amount, is to render them the reverse. But though the operations on the local bill account are similar in their nature to those on the current accounts, yet the effect is different as to their influence on the exchanges. For as the amount of the local bills under discount increases, the exchanges become unfavorable: but as the deposits increase, the exchanges become advantageous. In the increase of local bills, the issue of notes will be more than the receipts; but in the increase of the deposits, the receipts will be more than the issues.

As the laws of the country circulation are the same, whether the notes are issued by private or by joint-stock banks, I have introduced the subject into this section on the Private Country Banks, and have altogether omitted it in the following section on the Country Joint-Stock Banks.

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#### SECTION V.—COUNTRY JOINT-STOCK BANKS.

By a clause in the charter of the Bank of England, no partnership formed for carrying on the business of banking could consist of more than six persons, but by an Act passed in the year 1826, copartnerships of more than six in number are permitted to carry on business as bankers in England, *sixty-five miles from London*, provided they have no house of business or establishment as bankers in London, and that every member of such copartnership shall be responsible for all the debts of the company. They must also deliver to the Stamp-office the names and places of abode of all their members, and also a list of their officers. These lists are to be copied into a book, which any person is entitled to see on paying one shilling, and to obtain a copy for ten shillings. The banks may sue and be sued in the name of their public officer, and execution upon judgment may be issued against any member of the copartnership.

We take the following account of these banks from a Report of a Committee of the House of Commons, appointed in the year 1836 to inquire into the operation of the Act 7 Geo. IV. c. 46, for permitting the establishment of Joint-Stock Banks:—

300

"The evidence taken before your committee, and the returns from the Stamp-office, establish the fact that these banks are rapidly extending in all directions; that new companies are daily forming, and that an increased number of branches and agencies are spreading throughout England, even in small towns and villages; that a principle of competition exists, which leads to the extinction of all private banks, and to their conversion into banking companies. The mode in which this is effected, and the principle on which the issue of transferable shares acts at once on private banks, and generally on commercial credit, is fully developed in the evidence.

"Your committee have had before them the deeds of settlement of the greater number of the existing joint-stock banks, and they proceed to submit to the House an analysis of some of their leading provisions.

"Though the general objects of these establishments are much alike, yet there are some variations in their deeds of settlement which it may be material to point out.

"First, as to the power of altering the regulations of the company.

"The active duties are generally delegated to a small body called the directors, while the main body of proprietors reserve to themselves the power of selecting the directors, and of altering from time to time the rules by which the directors are to be governed. Indeed, it might have been expected that the proprietors would always have reserved to themselves this power; nor should this general rule have been noticed, had it not been necessary to point out a single exception to it, in the case of one particular company, in which all the powers of the company are vested in the directors of the central bank, till January, 1838, and even after that date this authority is only to be controlled by the 'general board of directors,' consisting of the central directors themselves, and of the local directors of branch banks, appointed by them. The deeds of all the other companies expressly give a power to the shareholders to make new laws and regulations.

"Secondly, as to the mode of conducting the business of banking.

"This is for the most part set out in general terms. Some banking companies content themselves with defining the business to be 'banking in all its branches'; in other cases, it is called 'the business of bankers.'

"Advancing money on real security is in no instance forbidden. The deeds of three companies are silent on the subject; the rest expressly allow it.

"The majority of the deeds are silent on the subject of the purchase of land. The \_\_\_\_\_ Banking Company expressly allows it. The \_\_\_\_\_ Banking Company and the Union Banking Company expressly forbid it.

"An advance of money on mining concerns is in no instance expressly allowed; in many it is expressly forbidden; in the majority, it is passed over in silence.

"Advances of money upon any 'public foreign government stock, or the stock of any foreign chartered public company,' is directly sanctioned in the deeds of four banking companies. Investment in foreign government stock or funds is allowed by the deed of another bank. Such advances are expressly forbidden by many of the deeds, and are passed over in silence by many others.

"In no instance is the company forbidden to become the purchaser of its own shares; but, on the contrary, power is expressly given to do so by means of the deeds, and that to any amount. The only modifications of this power which your committee have found are in the case of one banking company, in which the directors are authorized to purchase shares in the case only of a refusal to admit as a proprietor the person proposing to buy; and in the case of another bank, the number of shares to be bought in by the directors is restricted to forty.

"Thirdly, as to the degree of publicity to be given to the proceedings.

"No principle seems to be more attended to, or prominently put forward, than that of preserving secrecy as to the state of the accounts of the customers of the banks. To this principle there does not appear to be an exception.

"The directors are in general required to sign a declaration pledging themselves to observe secrecy as to the transactions of the bank with their customers, and the state of the accounts of individuals. In some of the companies, this declaration is also to be signed by all the clerks and officers. One banking company goes so far as to require an oath to this effect. If the proprietors are dissatisfied with the statement of accounts made by the directors, a power is generally reserved to appoint auditors or inspectors for the examination of the books; but these auditors or inspectors are required to sign a similar declaration of secrecy.



"No proprietor, not being a director, is entitled to inspect any of the books of the company.

"The directors are in general bound to exhibit to the general meeting of the shareholders a summary or balance-sheet of their affairs, and to make such further statement or report as the directors may deem expedient and conducive to the interests of the company. In the case of one of these banks, even this is not obligatory by the terms of the deed, which leave it to the discretion of the directors whether they do or do not exhibit a balance-sheet. In a very extensive bank, the proprietors annually appoint auditors to examine the affairs of the company, and to report therein.

"In some of the companies the principle of secrecy is carried still further: two of the directors, selected from the rest, are the exclusive depositors of the power of inspecting the private accounts of customers. These persons are sometimes called 'confidential directors.' This provision is stated to be made 'in order that the credit and private transactions of individuals may be preserved inviolate.' Sometimes they are called 'managing directors'; sometimes 'special directors.' In other companies, though all the directors have the power of inspection of the accounts of customers, two of the directors are selected to inspect bills and notes, 'in order to prevent the exposure of such bills of exchange and promissory notes as may pass through the bank. These two directors are called 'the bill committee.' In two of the companies, a single person, called 'the manager,' has the exclusive power of inspecting bills and notes.

"Fourthly, as to the terms on which the company is to be dissolved.

"The deeds of all these companies contain some provision for dissolution in certain contingencies. It is in general provided that a dissolution of the company shall take place by reason either of a certain amount of loss, or of a voluntary agreement. Dissolution by reason of loss in the great majority of the deeds is provided for in the following manner.

"It is necessary to premise that the directors of each of these companies are bound to set aside a certain portion of the profits to form a fund to meet extraordinary demands, which fund is sometimes called the 'surplus fund,' sometimes the 'reserve fund,' but more usually the 'guarantee fund.' The ordinary provision for dissolution is to this effect: — That if the losses sustained shall at any time have absorbed the whole of this guarantee fund, and also one fourth of the capital paid up, then any one shareholder may require the dissolution of the company, which shall take place accordingly, unless two thirds in number and value of the shareholders shall be desirous of continuing the company, and shall purchase the shares of those proprietors who wish to withdraw. In one bank the dissolution of the company takes place upon a loss of one fifth instead of one fourth of the capital. In two other banks no mention is made of the guarantee fund.

"The provision of the great majority of deeds, as above stated, is, that in the event of a given amount of loss, any one shareholder may propose the dissolution. In some, three shareholders are required. In the Banking Company A. the requisition for dissolution must be made by ten shareholders holding 200 shares; in the Bank B. by one fourth of the company; but if the loss amount to one half the capital, then by any single shareholder.

"By the general provisions of the great majority of deeds, the dissolution of the company, though duly proposed, may be averted by two thirds of the proprietors; but in some there exists no such restriction; and on the occurrence of a given amount of loss, the dissolution, if proposed, must necessarily take place. In other instances, on the appearance of a given amount of loss, the dissolution is to take place immediately, even though no partner should propose it."

#### LIST OF COUNTRY JOINT-STOCK BANKS.

The following Tables contain a complete exhibit of the Country Joint-Stock Banks, as in existence, July, 1849, arranged in alphabetical order, and showing, — I. The location of the Head Office. II. When established. III. Number of Branches. IV. Paid-up Capital. V. Reserved Fund. VI. Last Dividend. VII. Amount of Authorized Issue. VIII. Name of Manager.

*List of the existing COUNTRY JOINT-STOCK BANKS, arranged in the Alphabetical Order of their Head Offices.*

No.	NAME.	Head Office.	When first Established.	Number of Branches.	Paid-up Capital.	Reserved Fund.	Last Dividend.	Amount of Authorized Issue.	Name of Manager.
1	Ashton, Slatybridge, Hyde, & Glossop Bank.	Ashton,	June 18, 1836	none	£ 37,140 0	£ ....	5 per cent.	£ ....	J. R. Coulthart.
2	Barnsley Banking Company.	Barnsley,	Jan. 25, 1832	none	37,500 0	....	8 " "	9,563	S. Linley.
3	Birmingham Banking Company.	Birmingham,	Sept. 30, 1839	2	200,000 0	60,000	10 p. cent. & 5 bonus.	....	W. Beaumont.
4	Birmingham Town & District Banking Company.	Birmingham,	July 4, 1836	none	74,300 0	40,000	10 per cent.	....	B. Smith.
5	Birmingham & Midland Bank,	Birmingham,	Aug. 15, 1836	none	90,000 0	38,162	3l. 15s. per share.	....	C. Geach.
6	Bank of Bolton.	Bolton,	May 30, 1836	none	....	....	....	....	J. Darbyshire.
7	Bradford Banking Company.	Bradford,	July 7, 1827	none	154,000 0	....	10 per cent.	49,292	S. Laycock.
8	Bradford Commercial Joint-Stock Bank- ing Company.	Bradford,	Feb. 27, 1833	none	....	....	....	20,084	J. Hill.
9	Stuckeys Banking Company.	Bristol,	Oct. 9, 1836	24	....	....	....	366,976	J. Manningford.
10	West of England & South Wales Dis- trict Bank.	Bristol,	Dec. 23, 1834	11	267,257 10	33,443	7 per cent.	83,535	J. Bates.
11	Burton, Uttoxeter, & Ashbourne Union Bank.	Burton-on-Trent,	Oct. 16, 1839	2	64,875 0	33,692	....	60,701	W. Coward.
12	Bury Banking Company.	Bury,	June 14, 1836	none	....	....	....	....	A. Davidson.
13	Carlisle City & District Banking Com- pany.	Carlisle,	Feb. 20, 1836	1	53,000 0	20,419	10 per cent.	19,972	B. Ward.
14	Carlisle & Cumberland Banking Com- pany.	Carlisle,	Oct. 8, 1836	2	51,925 0	17,608	8 " "	25,610	W. Ridler.
15	Cheltenham & Gloucestershire Bank,	Cheltenham,	May 19, 1836	1	40,000 0	....	6 " "	12,786	{ J. H. Bowley & E. Frampton.
16	County of Gloucester Bank,	Cheltenham,	Aug. 1, 1836	10	200,000 0	....	5 " "	144,362	G. Walker.
17	Chesterfield & North Derbyshire Bank- ing Company.	Chesterfield,	Dec. 21, 1833	none	22,280 0	5,594	7 " "	10,421	T. Lissaman.
18	Coventry & Warwickshire Banking Company.	Coventry,	Dec. 13, 1835	none	....	....	....	28,734	H. Gaskell.
19	Coventry Union Banking Company.	Coventry,	May 12, 1836	1	36,000 0	....	5 per cent.	16,251	A. Dinsdale.
20	Darlington District Banking Company.	Darlington,	Dec. 22, 1831	5	....	....	....	26,134	M. Sinclair.
21	Derby & Derbyshire Banking Company,	Derby,	Dec. 26, 1833	1	44,960 0	....	7 per cent.	8,122	F. S. Buckley.
22	Saddleworth Banking Company.	Dobcross,	June 29, 1833	2	....	....	....	....	C. E. Molineux.
23	Dudley & West Bromwich Banking Company.	Dudley,	Dec. 30, 1833	1	43,350 0	46,000	10 per cent.	37,696	J. C. Green.
24	Gloucestershire Banking Company.	Gloucester,	June 28, 1831	8	120,000 0	70,080	17½ " "	155,920	J. Caw.
25	Halifax Joint-Stock Banking Company.	Halifax,	Nov. 11, 1829	none	65,000 0	....	5 " "	18,534	J. Bowman.
26	Halifax & Huddersfield Union Banking Company.	Halifax,	June 29, 1836	1	169,050 0	12,000	15s. per share.	44,137	P. Hardcastle
27	Halifax Commercial Banking Company.	Halifax,	June 21, 1836	none	67,050 0	....	10 per cent.	13,733	

303

List of the existing COUNTRY JOINT-STOCK BANKS. (Continued.)

No.	NAME.	Head Office.	When first Established.	Number of Branches.	Paid-up Capital. £ s.	Reserved Fund. £	Last Dividend.	Amount of Authorized Issue. £	Name of Manager.
28	Helston Banking Company,	Helston,	Aug. 5, 1836	none	45,257 10	....	.....	1,503	J. Ellis.
29	Herefordshire Banking Company,	Hereford,	Aug. 7, 1836	3	140,000 0	23,028	10s. per share.	25,047	J. K. Hastings.
30	Huddersfield Banking Company,	Huddersfield,	June 7, 1837	2	.....	.....	10 per cent.	37,354	D. Marsden.
31	West Riding Union Banking Company,	"	Dec. 29, 1832	2	.....	.....	.....	34,029	J. Heron.
32	Hull Banking Company,	Hull,	Nov. 30, 1833	3	.....	.....	.....	29,333	G. Cobb.
33	Bank of Westmoreland,	Kendal,	June 8, 1833	none	21,800 0	.....	12½ per cent.	12,225	J. Parkin.
34	Kingsbridge Joint-Stock Bank,	Kingsbridge,	Dec. 1841	none	.....	.....	.....	3,952	R. Hurrell & G. B. Lidstone.
35	Knarborough & Claro Banking Co.,	Knarborough,	Sept. 14, 1831	2	.....	.....	.....	28,059	J. Hull.
36	Lancaster Banking Company,	Lancaster,	Oct. 9, 1836	3	125,000 0	44,145	50s. per share,	64,311	J. Coulston.
37	Leamington Priors & Warwickshire Banking Company,	Leamington,	Aug. 27, 1835	4	.....	.....	.....	13,875	T. H. Thorne.
38	Leeds Banking Company,	Leeds,	Nov. 22, 1835	none	120,000 0	36,000	8 per cent.	23,076	E. Greenland.
39	Yorkshire Banking Company,	"	July 6, 1843	12	144,964 0	.....	.....	122,532	J. W. Scott.
40	Leicestershire Banking Company,	Leicester,	Aug. 28, 1829	6	99,640 0	29,585	10 per cent.	86,060	G. Webb.
41	Paras Leicestershire Banking Company,	"	March 15, 1836	4	109,137 0	31,107	20s. per share,	59,300	W. Wilson.
42	Lincoln & Lindsey Banking Company,	Lincoln,	Aug. 10, 1833	8	100,000 0	9,000	10 per cent.	51,620	W. T. Page.
43	Bank of Liverpool,	Liverpool,	May, 1831	none	625,000 0	269,467	10 " "	.....	J. Langton.
44	Liverpool Commercial Banking Co.,	"	Dec. 29, 1832	none	338,600 0	150,439	8 " "	.....	R. Angus.
45	Union Bank of Liverpool,	"	May 2, 1835	none	300,000 0	30,000	6 " "	.....	J. Lister.
46	North & South Wales Bank,	"	April 30, 1836	24	215,450 0	.....	6 " "	63,951	G. Rae.
47	Liverpool Borough Bank,	"	June 28, 1836	none	498,120 0	.....	2 " "	.....	W. Cross.
48	Royal Bank of Liverpool,	"	April 30, 1836	none	600,000 0	.....	.....	.....	J. Chaffers.
49	Ludlow & Tenbury Bank,	Ludlow,	Nov. 1840	none	.....	.....	.....	10,215	H. Whittall.
50	National Provincial Bank of England,	London,	Dec. 27, 1833	60	420,000 0	86,930	6 per cent.	442,371	D. Robertson.
51	Manchester & Liverpool District Bank,	Manchester,	Nov. 26, 1829	14	750,000 0	123,357	8 " "	.....	P. Thomson.
52	Union Bank of Manchester,	"	May 6, 1836	none	255,900 0	50,000	8 per cent.	.....	C. Smith.
53	Manchester & Salford Bank,	"	June 15, 1836	none	40,000 0	.....	10 " "	63,939	T. N. James.
54	North Wits Banking Company,	Melksham,	Nov. 6, 1835	10	36,300 0	2,640	5 " "	.....	T. Palmer.
55	Berks Union Banking Company,	Newbury,	July, 1841	4	.....	.....	.....	.....	J. Knight.
56	Northumberland & Durham District Banking Company,	Newcastle,	May 23, 1836	..	330,650 0	124,064	8 " "	.....	P. Davidson.
57	Newcastle Union Banking Company,	"	July 11, 1836	none	.....	.....	7 per cent.	.....	J. Fraser.
58	Newcastle Commercial Banking Co.,	"	July 16, 1836	none	50,000 0	9,000	.....	.....	J. R. Spiller.
59	Monmouthshire & Glamorganshire Banking Company,	Newport,	July, 1836	6	192,370 0	.....	6 " "	26,400	S. Percival.
60	Northamptonshire Banking Company,	Northampton,	May 13, 1836	3	60,000 0	13,784	7 " "	84,356	W. S. Wilson.
61	Northamptonshire Union Bank,	"	May 23, 1836	2	192,500 0	42,956	14 " "	25,025	
62	East of England Bank,	Norwich,	Feb. 27, 1836	10	106,000 0	13,360	5 " "	.....	

*List of the existing COUNTRY JOINT-STOCK BANKS. (Continued.)*

*Country Joint-Stock Banks.*

131

No.	NAME.	Head Office.	When first Established.	Number of Branches.	Paid-up Capital.	Reserved Fund.	Last Dividend.	Amount of Authorized Issue.	Name of Manager
63	Nottingham & Nottinghamshire Banking Company,	Nottingham,	April 12, 1834	5	£ 200,000 0	£ 6,074	18s. per share.	£ 29,477	T. H. Smith.
64	Moore & Robinson's Nottinghamshire Banking Company,	"	July 12, 1836	none	72,000 0	....	10 per cent.	35,313	D. Derry.
65	Devon & Cornwall Banking Company,	Plymouth,	Dec. 31, 1831	12	103,075 0	8,451	6 " "	....	....
66	Portsmouth, Portsea, Gosport, & South Hants Banking Company,	Portsea,	April, 1839	1	....	....	....	....	Jackson & Jones.
67	Preston Banking Company,	Preston,	June, 1844	none	100,000 0	2,586	5 per cent.	....	H. Graves.
68	Swaledale & Wensleydale Banking Co.,	Richmond,	Dec. 30, 1836	3	53,400 0	....	8 " "	54,372	J. Fisher.
69	Wilts & Dorset Banking Company,	Salisbury,	Jan. 11, 1836	21	....	....	6 " "	76,162	S. Provis.
70	Storey & Thomas' Bank,	Shaftesbury,	Feb., 1840	1	....	....	....	9,714	....
71	Sheffield Banking Company,	Sheffield,	June 24, 1831	1	110,550 0	25,804	12½ per cent.	35,943	J. H. Barber.
72	Sheffield & Hallamshire Banking Co.,	"	May 20, 1836	none	125,350 0	13,517	5 " "	23,524	W. Waterfall.
73	Sheffield & Rotherham Banking Co.,	"	June 25, 1836	2	92,556 0	22,339	10 " "	52,496	W. Brown.
74	Sheffield Union Banking Company,	"	June 25, 1843	1	27,040 0	12,216	6 " "	....	E. Liddell.
75	Shropshire Banking Company,	Shifnal,	May 27, 1836	4	60,000 0	12,200	12½ " "	47,951	W. Allen.
76	Hampshire Banking Company,	Southampton,	April 29, 1834	4	80,000 0	15,031	9 " "	....	E. Atkins.
77	Stamford, Spalding, & Boston Banking Company,	Stamford,	Dec. 28, 1831	5	....	....	....	55,721	O. Edmunds.
78	Bank of Stockport,	Stockport,	May 3, 1836	none	31,850 0	....	....	....	F. Ovey.
79	Stourbridge & Kidderminster Banking Company,	Stourbridge,	April 9, 1834	2	100,000 0	....	10 per cent.	56,830	J. Amery.
80	Glamorganshire Banking Company,	Swansea,	Sept. 1, 1836	1	100,000 0	12,332	8 " "	....	W. Stroud.
81	Sunderland Joint-Stock Bank,	Sunderland,	Aug. 4, 1836	none	75,000 0	....	5 " "	....	H. Parker.
82	Wakefield & Barnsley Union Banking Company,	Wakefield,	Oct. 25, 1839	1	40,000 0	....	6 " "	14,604	W. H. Dikes.
83	Warwick & Leamington Banking Co.,	Warwick,	Sept. 10, 1834	3	32,800 0	....	5 " "	37,124	H. Summerfield.
84	Whitchurch & Ellesmere Banking Co.,	Whitchurch,	Jan. 1, 1840	1	....	....	....	7,475	J. Lowe.
85	Whitehaven Joint-Stock Bank,	Whitehaven,	May 25, 1829	1	42,375 0	15,000	12 per cent.	31,916	P. Cameron.
86	Bank of Whitehaven,	"	Jan. 1, 1837	1	50,000 0	31,478	10 " "	32,631	S. Dodgson.
87	Wolverhampton & Staffordshire Banking Company,	Wolverhampton,	Dec. 28, 1831	none	50,000 0	....	17 " "	35,378	J. Wiley.
88	Bilston District Bank,	"	Sept. 6, 1836	none	30,375 0	6,887	7½ " "	9,418	T. Griffin.
89	Worcester City & Country Bank,	Worcester,	Nov. 1, 1840	none	....	....	7 " "	6,848	E. Evans.
90	Cumberland Union Banking Company,	Workington,	March 13, 1829	5	50,000 0	15,946	12 " "	25,395	C. Brown.
91	York City & County Banking Company,	York,	March 2, 1834	8	100,000 0	45,743	10 " "	94,635	R. Barnes.
92	York Union Banking Company,	"	April 23, 1833	4	99,000 0	20,000	10 " "	71,940	B. T. Wilkinson

305

We have no official return of the present amount of the paid-up capital of all the joint-stock banks. But from the best information that has been collected on the subject, it would appear that the number of partners in all the banks in England (including those of London) is about 23,000, the paid-up capital about £ 14,000,000, and the reserved funds £ 2,000,000.

The following country Joint-stock Banks in England have stopped payment. As we have elsewhere discussed the causes of the failure of joint-stock banks generally, we need make no observations on them individually.

	<i>Date of Establishment.</i>	<i>Date of Stoppage.</i>
1. Birmingham — Birmingham Borough Bank	Mar. 1837 . . .	1840
2. Devonport — Western District Bank	Sept. 1836 . . .	1844
3. Leamington — Leamington Bank	May, 1835 . . .	1837
4. Leeds — Leeds and West Riding Bank	Oct. 1835 . . .	1846
5. Liverpool — Liverpool Banking Company	Mar. 1836 . . .	1847
6. Manchester — Bank of Manchester	Mar. 1829 . . .	1842
7. Manchester — Commercial Bank of Eng- land	Aug. 1834 . . .	1840
8. Manchester — Imperial Bank of England	Dec. 1836 . . .	1839
9. Newcastle — Newcastle Joint-Stock Bank	July, 1836 . . .	1846
10. Newcastle — North of England Bank	Dec. 1832 . . .	1847
11. Sheffield — Sheffield and Retford Bank	Aug. 1839 . . .	1846
12. Southampton — Southern District Bank	Dec. 1836 . . .	1841
13. Walsall — Walsall and South Stafford- shire Bank	Aug. 1835 . . .	1840
14. York — Yorkshire Agricultural and Com- mercial Bank	Aug. 1836 . . .	1843

No. 1 was formed out of the remnants of a branch of the Northern and Central Bank of England. No. 4 was formed on the private bank of Messrs. Smith & Son. No. 5 was at first called the Tradesman's Union Bank, and under that title made returns to the Joint-stock Banking Committee of the House of Commons in 1836. No. 10 is now winding up its affairs under "The Joint-stock Companies' Winding-up Act, 1848."

The following Joint-Stock Banks wound up their affairs without stopping payment:—

	<i>Date of Establishment.</i>	<i>Date of Winding up.</i>
1. Ipswich — Suffolk Banking Company	April, 1842 . . .	1845
2. Leeds — Yorkshire District Bank	Aug. 1834 . . .	1843
3. Leeds — Commercial Bank of Leeds	July, 1836 . . .	1846
4. Liverpool — Albion Bank	May, 1836 . . .	1842
5. Liverpool — Phoenix Bank	Jan. 1837 . . .	1838
6. Manchester — Northern and Central Bank of England	Mar. 1834 . . .	1836
7. Manchester — South Lancashire Bank	May, 1836 . . .	1843
8. Manchester — Alliance Bank	Oct. 1839 . . .	1841
9. Oldham — Oldham Banking Company	Sept. 1836 . . .	1847

No. 2 was discontinued, and the shareholders formed a new bank, called the Yorkshire Banking Company, taking all the premises and officers of the old bank. No. 3 was formed on the private bank of Messrs. Bywater & Co. No. 4, The Tradesman's Bank of Liverpool merged in this bank. Afterwards it wound up, paying back to its proprietors all the

capital and a bonus besides. No. 5 was formed out of the remnants of a branch of the Northern and Central Bank; it existed only a short time. No. 8, The Northern and Central Bank, realized about 10s. in the pound of its capital. Some of the shareholders with that portion of their capital formed this bank. It never did much business, and after a while its capital was lent to the Bank of Manchester, upon the promissory notes of that bank, at two or three years' date, bearing interest at 5 per cent. No. 9: a well-managed bank, but having only a small capital, the directors determined, after the pressure of 1847, to wind up its affairs.

Banks which stopped, and soon afterwards resumed:—

	<i>Date of Establishment.</i>	<i>Date of Stoppage.</i>
1. Liverpool—Royal Bank of Liverpool	May, 1836	1847
2. Liverpool—North and South Wales Bank	May, 1836	1847
3. Newcastle—Union Bank of Newcastle	July, 1836	1847
4. Nottingham—Nottingham and Nottinghamshire Banking Company	April, 1834	1842

Nos. 1 and 2 stopped during the pressure of 1847, but soon afterwards resumed. No. 3 stopped at the same period, but have resumed at three of their branches, and are about to resume at Newcastle. No. 4 was stopped in 1842 by their London agent. They changed their agent, and resumed.

The following Joint-stock Banks have merged in other Joint-stock Banks:—

<i>Banks.</i>	<i>Banks into which they merged.</i>	<i>Date of Establishment.</i>	<i>When merged.</i>
1. Birmingham—Bank of Birmingham	Birmingham Banking Company	Aug. 1832	1837
2. Lichfield—Lichfield, Rugeley, and Tamworth Banking Company	National Provincial Bank	Nov. 1835	1838
3. Newport—Isle of Wight Banking Company	Ditto	May, 1842	1844
4. Norwich—Norwich and Norfolk Bank	East of England Bank	Mar. 1827	1836
5. Stockton—Stockton and Durham County Bank	National Provincial Bank	Dec. 1838	1846

“Return of the Joint-stock Banks which have been established under the provision of the Act 7 Geo. IV. c. 46, stating the period when, and the place where, established, and likewise the dates at which any such banks, once established, had ceased to exist.” Besides those we have mentioned, this list contains the following:—

<i>Name of the Bank.</i>	<i>The Period when established.</i>	<i>The Places where established.</i>	<i>Date of ceasing.</i>
1. Bank of South Wales	Feb. 26, 1835	Carmarthen	Last license, Oct. 1836.
2. Bristol Old Bank	June 16, 1826	Bristol	Last license, Oct. 1840.
3. Bury and Heywood Banking Company	Sept. 17, 1836	Bury and Heywood	Last and only return, Sept. 1836.
4. Central Bank of Liverpool	Dec. 8, 1836	Liverpool	Last return, April, 1839.
5. Gloucester County and City Bank	Dec. 31, 1834	Gloucester	Last return, June, 1836

<i>Name of the Bank.</i>	<i>The Period when established.</i>	<i>The Places where established.</i>	<i>Date of ceasing.</i>
6. Holywell Bank, North Wales	Nov. 11, 1834	Holywell and Mold	Last license, Oct. 1835.
7. Leicestershire and Warwickshire Joint-stock Banking Company	Sept. 14, 1840	Hinckley	Last license, Oct. 1840.
8. Leith Banking Company	Nov. 23, 1837	Carlisle	Last license, Oct. 1836
9. Nantwich & South Cheshire Bank	July 25, 1839	Nantwich.	

No. 1 is the private bank of Messrs. Watkins & Co. The number of partners exceeding six, the firm was registered as a joint-stock bank. The number has been reduced by death, and therefore the registry is no longer required. The head office is at Brecon. No. 2. This is the private bank of Messrs. Elton, Baillie, & Co., who, having eight partners, registered as a joint-stock bank. Three of the partners have since died, so that the number is reduced to five. Since the year 1844 they have discontinued the issue of their own notes. No. 3. This bank was in existence only a few months. No. 4. This was a small, ill-regulated bank, that brought itself to a close. No. 5. This bank was formed by Mr. Charles Cripps, who had been the agent of the Bank of England branch at Gloucester. It existed for a short time, and then became a branch of the County of Gloucester Bank. No. 6. This bank had seven partners. It is presumed to have been the private bank of Messrs. Douglas, Swalley, & Co., who stopped payment in the year 1839. No. 7. This bank was formed on the private bank of Messrs. Heming & Needham, at Hinckley. It continued only a very short time. No. 8. The Leith Banking Company had a branch at Carlisle, and consequently registered as an English bank. No. 9. This was a small, but respectable bank, that transferred its business, on the 1st of January, 1845, to the Manchester and Liverpool District Bank.

Two joint-stock banks have failed in the Isle of Man.

1. The Isle of Man Joint-stock Bank. This bank was formed on the private bank of Messrs. Forbes & Co. They were largely in debt to their London agent, and their affairs have led to much litigation.

2. The Isle of Man Commercial Banking Company. The business of this bank has been taken up by the City of Glasgow Bank, who have opened a branch in the island—called the Bank of Mona—under the management of Mr. John Stanway Jackson, who was formerly manager of the Manchester and Liverpool District Bank.

The following are the provisions of the Act 7 & 8 Vict. c. 113, passed in 1844, to regulate Joint-stock Banks in England:—

*No Joint-Stock Bank established after 6th May last to carry on business unless by virtue of Letters Patent granted according to this Act; but Companies previously established not restrained from carrying on business until Letters Patent have been granted.*

“Whereas the laws in force for the regulation of copartnerships of bankers in England need to be amended: Be it enacted by the Queen's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, That it shall not be lawful for any company of more than six persons to carry on the trade or business of bankers in England, after the passing of this Act, under any agreement or cov-

enant of copartnership made or entered into on or after the sixth day of May last passed, unless by virtue of letters patent to be granted by her Majesty according to the provisions of this Act; but nothing herein contained shall be construed to restrain any such company established before the said sixth day of May, for the purpose of carrying on the said trade or business of bankers in England, from continuing to carry on the same trade and business as legally as they might have done before the passing of this Act, until letters patent shall have been granted to them severally on their application, as hereinafter provided, to be made subject to the provisions of this Act.

*Company to Petition for a Charter.*

" II. And be it enacted, That before beginning to exercise the said trade or business every such company shall present a petition to her Majesty in council, praying that her Majesty will be graciously pleased to grant to them letters patent under this Act; and every such petition shall be signed by seven at least of the said company, and shall set forth the following particulars; that is to say, —

" First, The names and additions of all the partners of the company, and the name of the street, square, or other place, where each of the said partners reside.

" Second, The proposed name of the bank.

" Third, The name of the street, square, or other local description of the place or places where the business of the bank is to be carried on.

" Fourth, The proposed amount of the capital stock, not being in any case less than one hundred thousand pounds, and the means by which it is to be raised.

" Fifth, The amount of capital stock then paid up, and where and how invested.

" Sixth, The proposed number of shares in the business.

" Seventh, The amount of each share, not being less than one hundred pounds each.

*Charter to be granted on Report of Board of Trade.*

" III. And be it enacted, That every such petition shall be referred by her Majesty to the Committee of Privy Council for Trade and Plantations; and so soon as the Lords of the said committee shall have reported to her Majesty that the provisions of this Act have been complied with on the part of the said company, it shall thereupon be lawful for her Majesty, if her Majesty shall so think fit, with the advice of her Privy Council, to grant the said letters patent.

*Deed of Settlement.*

" IV. And be it enacted, That the deed of partnership of every such banking company shall be prepared according to a form to be approved by the Lords of the said committee, and shall, in addition to any other provisions which may be contained therein, contain specific provisions for the following purposes; that is to say, —

" First, For holding ordinary general meetings of the company once at least in every year, at an appointed time and place.

" Second, For holding extraordinary general meetings of the company, upon the requisition of nine shareholders or more, having in the whole at least twenty-one shares in the partnership business.

" Third, For the management of the affairs of the company, and the election and qualification of the directors.

" Fourth, For the retirement of at least one fourth of the directors yearly, and for preventing the reelection of the retiring directors for at least twelve calendar months.

" Fifth, For preventing the company from purchasing any shares, or making advances of money, or securities for money, to any person on the security of a share or shares in the partnership business.

" Sixth, For the publication of the assets and liabilities of the company once at least in every calendar month.

" Seventh, For the yearly audit of the accounts of the company, by two or more auditors, chosen at a general meeting of the shareholders, and not being directors at the time.

" Eighth, For the yearly communication of the auditors' report, and of a balance-sheet, and profit and loss account, to every shareholder.

" Ninth, For the appointment of a manager, or other officer to perform the duties of manager.

" And such deed, executed by the holders of at least one half of the shares in the



said business, on which not less than ten pounds on each such share of one hundred pounds, and in proportion for every share of larger amount, shall have been then paid up, shall be annexed to the petition; and the provisions of such deed, with such others as to her Majesty shall seem fit, shall be set forth in the letters patent.

*No Company to commence Business till Deed executed and all the Shares subscribed for, and at least Half the Amount paid up.*

"V. Provided always, and be it enacted, That it shall not be lawful for any such company to commence business until all the shares shall have been subscribed for, and until the deed of partnership shall have been executed, personally or by some person duly authorized by warrant of attorney to execute the same on behalf of such holder or holders, by the holders of all the shares in the said business, and until a sum of not less than one half of the amount of each share shall have been paid up in respect of each such share; and it shall not be lawful for the company to repay any part of the sum so paid up without leave of the Lords of the said committee.

*Company to be Incorporated.*

"VI. And be it enacted, That it shall be lawful for her Majesty, in and by such letters patent, to grant that the persons by whom the said deed of partnership shall have been executed, and all other persons who shall thereafter become shareholders in the said banking business, their executors, administrators, successors, and assigns respectively, shall be one body politic and corporate, by such name as shall be given to them in and by the said letters patent, for the purpose of carrying on the said banking business, and by that name shall have perpetual succession and a common seal, and shall have power to purchase and hold lands of such annual value as shall be expressed in such letters patent; and such letters patent shall be granted for a term of years, not exceeding twenty years, and may be made subject to such other provisions and stipulations as to her Majesty may seem fit.

*Incorporation not to limit the Liability of the Shareholders.*

"VII. Provided always, and be it enacted, That notwithstanding such incorporation the several shareholders for the time being in the said banking business, and those who shall have been shareholders therein, and their several executors, administrators, successors, and assigns, shall be and continue liable for all the dealings, covenants, and undertakings of the said company, subject to the provisions hereinafter contained, as fully as if the said company were not incorporated."

By the 48th section of this Act, "Every company of more than six persons carrying on the trade or business of bankers in England, shall be deemed a trading company within the provisions of an Act passed in this session of Parliament, entitled 'An Act for facilitating the winding up the affairs of Joint-stock Companies unable to meet their pecuniary engagements.'"

This Act is the 7 and 8 Vict. cap. 111 (September, 1844), and it renders all joint-stock companies subject to the law of bankruptcy. No joint-stock bank has ever been made bankrupt. It is presumed, from the number of regulations prescribed by the Act, that the process of bankruptcy would, in the case of a banking company, be both tedious and expensive.

In the year 1848 an Act was passed (11 and 12 Vict. cap. 45), to amend the Acts for facilitating the winding-up the affairs of joint-stock companies unable to meet their pecuniary engagements, and also to facilitate the dissolution and winding-up of joint-stock companies and other partnerships. The legal title of this Act, to distinguish it from other Acts, is "The Joint-stock Companies' Winding-up Act, 1848."

The object of this Act is to enable the directors of an insolvent com-

pany to compel the shareholders individually to pay their proportion of the loss. There was previously much difficulty in doing this. If all the nominal capital had been called up, the directors could make no further calls. In cases where they had the power of making calls these calls could not be enforced without an appeal to the Court of Chancery. It was therefore customary for the directors to "confess judgment" to some creditor, and this creditor brought actions against the refractory shareholders for the whole amount of his claim, but granted a release on receiving that sum which the shareholders ought justly to pay, in proportion to their shares.

By this Act the directors or any shareholder of a company that has stopped payment, may present a petition to the Lord Chancellor, or to the Master of the Rolls, in a summary way, for the dissolution and winding-up of the company. If the order be granted, it is referred to a Master in Chancery, who will appoint an official manager to wind up the affairs of the company. The official manager is to collect all the debts due to the company, and to pay all its creditors. With the consent of the Master he can make calls on the shareholders, for such amounts, and payable at such times, as the Master may direct. The company is to sue and be sued in the name of the official manager. The object of the Act, however, is rather to settle disputes and claims of the shareholders among themselves, than to protect them against their creditors. Clause 58 has an especial provision with reference to this subject:—

*Act not to affect Rights of Creditors nor existing Contracts.*

"LVIII. Provided always, and be it enacted, That, except as is by this Act expressly provided, nothing in this Act contained, nor any petition or order under the same for the dissolution and winding up or for the winding up of any company, shall extend or enlarge, diminish, prejudice, or in any wise alter or affect the rights or remedies of creditors, or other persons not being contributories of the company, or the rights or remedies of creditors being also contributories, but being creditors of the company upon a distinct and independent account, whether against the company or against any of the contributories of the same, nor the rights or remedies of the company against any contributories or other persons, nor shall alter or affect any contracts or engagements entered into by or with the company, or any person acting on behalf of the same, previously to any such petition, nor any actions, suits, or other proceedings pending at the date of such petition."

## SECTION VI.—THE BANKS OF SCOTLAND.

In this Section we shall consider the following topics:—

- I. The Law of Scotland with reference to Banking.
- II. The Existing Banks of Scotland.
- III. A Comparison between the Banks of Scotland and those of England.
- IV. The Laws of the Currency with reference to Scotland.
- V. Those operations of the Scotch Banks that refer to the System of Cash Credits, Interest on Deposits, Remittances to India, and the Settlement of the Exchanges.
- VI. The Exchange Banks and Exchange Companies

*I. — The Law of Scotland with Reference to Banking.*

The general provisions of the law of Scotland bearing upon this subject, are calculated to promote the solidity of banking establishments.

1. There is no limitation to the *number* of partners.
2. The *private fortune* of every partner is answerable for the debts of the bank.

3. *Land*, as well as other property, *may be attached* for debt.

4. In Scotland *all land is registered*; so it is *easy* for any individual, by referring to the records, to ascertain what landed property is possessed by the partners of the bank, and also whether or not it be mortgaged. The following is the language of the Report of the Committee of the House of Commons, appointed in 1826 to consider the expediency of abolishing all notes under £ 5 : —

"There is no limitation upon the number of partners of which a banking company may consist; and, excepting in the case of the Bank of Scotland and the two chartered banks, which have very considerable capitals, the partners of all banking companies are bound jointly and severally, so that each partner is liable to the whole extent of his fortune for the whole debts of the company.

"A creditor in Scotland is empowered to attach the real and portable, as well as the personal estate of his debtor, for payment of personal debts, among which may be classed debts due by bills and promissory notes; and recourse may be had for the procuring payment to each description of property at the same time. Execution is not confined to the real property of a debtor merely during his life, but proceeds with equal effect upon that property after his decease.

"The law relating to the establishment of records gives ready means of procuring information with respect to the real and heritable estate of which any person in Scotland may be possessed. No purchase of an estate in that country is secure until the seisine (that is, the instrument certifying that actual delivery has been given) is put on record; nor is any mortgage effectual until the deed is in like manner recorded.

"In the case of conflicting pecuniary claims upon real property, the preference is not regulated by the date of the transaction, but by the date of its record. These records are accessible to all persons; and thus the public can with ease ascertain the effective means which a banking company possesses of discharging its obligations, and the partners in that company are enabled to determine with tolerable accuracy the degree of risk and responsibility to which the private property of each is exposed.

"There are other provisions of the law of Scotland, which it is not necessary minutely to detail, the general tendency of which is the same with those above mentioned."

The following Acts of Parliament have been passed in reference to banking in Scotland : —

"The first notice of banking in Scotland which occurs in the statute-book, is an act of King William the Third, passed in the year 1695, under which the Bank of Scotland was established. By this Act an exclusive privilege of banking was conferred upon that bank, it being provided 'that for the period of twenty years from the 17th July, 1695, it should not be lawful for any other person to set up a distinct company or bank within the kingdom of Scotland, besides those persons in whose favor this Act was granted.' No renewal of the exclusive privilege took place after the expiration of the twenty-one years.

"The Bank of Scotland first issued notes of 20s. in the year 1704; but the amount of notes in circulation previous to the Union was very limited.

"The Bank of Scotland continued the only bank from the date of its establishment in 1695, to the year 1727.

"In that year a charter of incorporation was granted to certain individuals named therein, for carrying on the business of banking under the name of the Royal Bank;

and subsequent charters were granted to this establishment, enlarging the capital, which now amounts to one million and a half.

"An Act passed in the year 1765 is the first and most important Act of the Legislature which regulates the issue of promissory notes in Scotland.

"It appears from its preamble, that a practice had prevailed in Scotland of issuing notes which circulated as specie, and which were made payable to the bearer on demand, or payable at the option of the issuer at the end of six months, with a sum equal to the legal interest from the demand to that time.

"The Act of 1765 prohibits the issue of notes in which such an option as that before mentioned is reserved to the issuer. It requires that all notes of the nature of a bank-note, and circulating like specie, should be paid on demand; and prohibits the issue of any promissory note of a sum less than 20s.

"With respect to the issue of promissory notes in England, an Act was passed in 1775, prohibiting the issue of any such notes under the sum of 20s. And in the year 1777, restraints were imposed by law on the issues of notes between the sum of 20s. and £5, which were equivalent to the prohibition of such notes circulating as specie.

"In the year 1797, when the restrictions as to payments in cash were imposed upon the Bank of England, the provisions of the Act of 1777, with regard to the issue of notes between 20s. and £5 were suspended. By an Act passed in the third year of his present Majesty, the suspension was continued until the 5th of January, 1833; but now stands limited by an Act of the present session to April 5, 1829."

"The general result of the laws regulating the paper currency in the two countries in this :—

"That in Scotland, the issue of promissory notes payable to bearer on demand for a sum of not less than 20s. has been at all times permitted by law, nor has any Act been passed limiting the period for which such issue shall continue legal in that country. In England, the issue of promissory notes for a less sum than £5 was prohibited by law from the year 1772 to the period of the bank restriction in 1797. It has been permitted since 1797; and the permission will cease, as the law at present stands, in April, 1829."

The Act which now regulates the issue of bank-notes in Scotland is 8 and 9 Vict. c. 38, passed in the year 1845.

By this Act, the power of issuing notes is confined to those banks that issued notes in the year preceding the 1st day of May, 1845. And the amount to which each bank may issue is not to exceed the average amount of notes it had in circulation during the year ending the 1st of May, 1845, and the amount of gold or silver coin it may at the time have in possession at the head office or principal place of issue, in the proportion that the silver shall not be more than one fourth the amount of the gold.

This Act was to come into operation on the 6th day of December, 1845. After which day each banker is to make weekly returns to the Stamp-office of his notes in circulation, and of the gold and silver coin on hand; and the averages of four weeks are to be published in the *London Gazette*, with a certificate from the commissioner as to whether the bank has held the amount of coin required by this Act.

All banks, except the Bank of Scotland, the Royal Bank of Scotland, and the British Linen Company, are required to send to the Stamp-office, between the 1st and 15th days of January inclusive, the names of all their partners, which shall be published by the 1st day of March following in some newspaper circulating within each town or county respectively in which the head office or principal place of issue of such bank is situated.

Bank of England notes are not to be a legal tender in Scotland.

In the Acts of Parliament passed in 1844 and 1845 for Regulating

AA

313

Banks of Issue in England and in Scotland, we may observe the following differences:—

1. The maximum of the circulation in England is the average of the twelve weeks ending the 27th of April, 1844. The maximum in Scotland is the average of the year ending the 1st day of May, 1845.

2. The English banks are not, under any circumstances, allowed to exceed the fixed limit. The Scotch banks are allowed to exceed their limit, provided they hold in their coffers at the head office an amount of gold and silver equal to such excess.

3. In England, should two joint-stock banks of issue effect a junction, the circulation of one of them would be forfeited, and the united bank could issue only to the amount which the other bank had previously issued. In Scotland, the united bank is allowed to issue to the amount of the two circulations added together. There is no express provision in the English Act with reference to the junction of two joint-stock banks. We consider that only one of the banks would lose its issue, *provided* the continuing bank retained its original title, so as not to create a new bank. But if by the union a new bank should be formed, then both the banks would lose their issues. In the same way, we think that the union of an issuing and a non-issuing bank would cause no change in the issue. But then the new bank must retain the title of the old issuing bank. Its right of issue would not be affected by taking new directors or new shareholders.

4. In Scotland, notes under £ 5 are still permitted. In England, notes under £ 5 are still prohibited.

## II. — *The Existing Banks of Scotland.*

The following Table, which I constructed from the parliamentary evidence of 1826, contains an account of the number of the banks in Scotland, the name of the firm or bank, date of its establishment, place of the head office, number of branches, number of partners, and the name of the London agents:—

Names of Firms or Banks.	Date.	Head Office.	No. of Branches.	No. of Partn.	London Agents.
1. Bank of Scotland, . . . . .	1696	Edinburgh,	16	chart.	Coutts & Co.
2. Royal Bank of Scotland, . . . . .	1727	Ditto,	1	ditto,	Bank England & ditto.
3. British Linen Company, . . . . .	1746	Ditto,	27	ditto,	Smith, Payne, & Co.
4. Aberdeen Banking Company, . . . . .	1767	Aberdeen,	6	80	Glyn & Co.
5. Aberdeen Town and County Bank, . . . . .	1825	Ditto,	4	446	Jones, Loyd, & Co.
6. Arbroath Banking Company, . . . . .	1826	Arbroath,	2	112	Glyn & Co.
7. Carrick & Co., or Ship Bank, . . . . .	1749	Glasgow,	none,	3	Smith, Payne, & Co.
8. Commercial Banking Company of Scotland, . . . . .	1810	Edinburgh,	31	521	Jones, Loyd, & Co.
9. Commercial Banking Company, . . . . .	1778	Aberdeen,	none,	15	Kinloch & Sons.
10. Dundee Banking Company, . . . . .	1777	Dundee,	none,	61	Kinloch & Sons.
11. Dundee New Bank, . . . . .	1802	Ditto,	1	6	Ransom & Co.
12. Dundee Commercial Bank, . . . . .	1825	Ditto,	none,	202	Glyn & Co.
13. Dundee Union Bank, . . . . .	1809	Ditto,	4	86	Glyn & Co.
14. Exchange and Deposit Bank, . . . . .	—	Edinburgh,	—	1	
15. Falkirk Banking Company, . . . . .	1787	Falkirk,	1	5	Remington & Co.
16. Fife Banking Company, . . . . .	1802	Cupar, Fife,	—	29	(Discontinued 1825.)

Names of Firms or Banks.	Date.	Head Office.	No. of Branches.	No. of Partn.	London Agents.
17. Greenock Banking Company,	1785	Greenock,	3	14	Kay & Co.
18. Glasgow Banking Company, .	1809	Glasgow,	1	19	{ Ransom & Co., and Glyn & Co.
19. Hunters & Co., . . . .	1773	Ayr,	3	8	Herries & Co.
20. Leith Banking Company, . .	1792	Leith,	4	15	Barnett & Co.
21. National Bank of Scotland, .	1825	Edinburgh,	8	1,238	Glyn & Co.
22. Montrose Bank, . . . .	1814	Montrose,	2	97	Barclay & Co.
23. Paisley Banking Company, .	1783	Paisley,	4	6	Smith, Payne, & Co.
24. Paisley Union Bank, . . .	1788	Ditto,	3	4	Glyn & Co.
25. Perth Banking Company, . .	1766	Perth,	5	147	Barclay & Co.
26. Perth Union Bank, . . . .	1810	Ditto,	—	69	Remington & Co.
27. Ramsay's, Bonar's, & Co., .	1738	Edinburgh,	none,	8	Coutts & Co.
28. Renfrewshire Banking Company,	1803	Greenock,	5	6	Kay & Co.
29. Shetland Bank, . . . .	—	Lerwick,	—	4	Barclay & Co.
30. Sir William Forbes & Co., .	—	Edinburgh,	—	7	(Barclay) (Coutts).
31. Stirling Banking Company, .	1777	Stirling,	2	7	Kinloch & Sons.
32. Thistle Bank, . . . .	1761	Glasgow,	none,	6	Smith, Payne, & Co.

*Private Banking Companies, who do not Issue Notes.*

Thomas Kinnear & Sons, . . . .	1748	Edinburgh,	none,	—	Smith, Payne, & Co.
Donald Smith & Co., . . . .	1773	Ditto,	none,	—	Glyn & Co.
Robert Allen & Son, . . . .	—	Ditto,	none,	—	Barclay & Co.
Alexander Allan & Co., . . . .	1776	Ditto,	none,	—	Barclay & Co.

Since the year 1826 the following banks have been formed in Scotland : —

	Formed.
1. The Glasgow Union Bank, . . . . .	April, 1830.
2. The Ayrshire Banking Company, at Ayr, . . . . .	Nov., 1831.
3. The Western Bank of Scotland, at Glasgow, . . . . .	Oct., 1832.
4. The Central Bank of Scotland, at Perth, . . . . .	April, 1834.
5. The North of Scotland Bank, at Aberdeen, . . . . .	Oct., 1836.
6. The Clydesdale Bank, at Glasgow, . . . . .	May, 1838.
7. The Southern Bank of Scotland, at Dumfries, . . . . .	June, 1838.
8. The Eastern Bank of Scotland, at Dundee, . . . . .	Dec., 1838.
9. The Edinburgh and Leith Bank, . . . . .	Dec., 1838.
10. The Caledonian Bank, at Inverness, . . . . .	Feb., 1839.
11. The City of Glasgow Bank, . . . . .	May, 1839.
12. Glasgow Joint-Stock Bank, . . . . .	Oct., 1840.
13. The North British Bank, at Glasgow, (not a bank of issue,) . . . . .	1844.
14. The Exchange Bank of Scotland, at Edinburgh, (not a bank of issue), . . . . .	1845.

At present, the following are the only banks of issue in Scotland : —

A TABLE exhibiting the CAPITAL and other particulars of the BANKS OF ISSUE IN SCOTLAND, with the PRICE of their SHARES, as publicly quoted in December, 1848. (From the "Edinburgh Almanac.")

Instituted.	NAME.	Partners.	Branches.	Paid-up Capital. £	Dividend. Rate.	Payable.	Share Paid. £	Price. £ s. d.
1695.	Bank of Scotland, . . . .	645	31	1,000,000	7	April and Oct.	100	162 0 0
1727.	Royal Bank, . . . . .	917	6	2,000,000	5	Jan. and July.	100	118 0 0
1746.	British Linen Company, . . .	233	43	500,000	8	June and Dec.	100	196 0 0
1810.	Commercial Bank, . . . .	568	47	600,000	7	Jan. and July.	100	161 0 0
1825.	National Bank, . . . . .	1,456	36	1,000,000	6½	Jan. and July.	10	13 5 0
1829.	Union Bank of Scotland, . . . .	592	31	1,000,000	8	June and Dec.	50	77 0 0
				315				

Instituted.	NAME.	Part-ners.	Branches.	Paid-up Capital. £	Dividend. Rate.	Payable.	Share Paid.	Price.
1838.	Edinburgh and Glasgow Bank,	1,500	20	1,000,000	6	Feb. and Aug.	£ 5	£ s. d. 5 11 0
1767	Aberdeen Banking Company,	477	16	200,000	6	1 May and 1 Nov.	5	3 12 6
1825.	Aberdeen Town and County Bank,	509	12	250,000	7½	March and Sept.	5	6 4 0
1836.	North of Scotland Banking Company,	1,650	33	380,955	4	May and Nov.	5	3 5 0
1763.	Dundee Banking Company,	61	1	60,000	8½	March,	60	80 0 0
1839.	Eastern Bank of Scotland,	460	2	194,020	6	May and Nov.	10	9 10 0
1832.	Western Bank of Scotland,	1,167	60	1,708,450	8	July and Dec.	50	70 0 0
838.	Clydesdale Banking Company,	1,365	12	807,360	6½	Feb. and Aug.	10	12 4 6
1839.	City of Glasgow Bank,	1,068	13	1,000,000	6	Feb. and Aug.	10	10 17 6
1838.	Caledonian Banking Company,	903	8	125,000	8	August,	2½	4 0 0
1766.	Perth Banking Company,	182	3	100,050	8	July,	100	150 0 0
1834.	Central Bank of Scotland,	405	5	56,275	8	September,	25	37 0 0
			14,235	£ 11,912,130				

Thus we find that, although there were thirty-two banks of issue existing in Scotland in the year 1826, and twelve more banks of issue have since been formed, yet the present number of issuing banks is only eighteen. It may also be observed, that out of the four non-issuing private banks in Edinburgh, only one remains. It will be interesting to trace the changes that have taken place in the Scottish banks since the year 1826. In the following Table the figures refer to the numbers in the Table at pp. 314, 315.

*Changes in Scottish Banks since 1826.*

No.		
6.	Arbroath Banking Company . . . . .	{ Merged in Commercial Bank of Scotland.
9.	Commercial Bank of Aberdeen . . . . .	{ Merged in National Bank of Scotland.
10.	Dundee Banking Company . . . . .	{ joined . . . . .
11.	Dundee New Bank . . . . .	{ Are now Dundee Bank.
12.	Dundee Commercial Bank . . . . .	{ Merged in Eastern Bank of Scotland.
13.	Dundee Union Bank . . . . .	{ Merged in Western Bank of Scotland.
14.	Exchange and Deposit Bank . . . . .	{ Failed.
15.	Falkirk Banking Company . . . . .	{ Wound up.
16.	Fife Banking Company . . . . .	{ Failed; paid in full.
17.	Greenock Banking Company . . . . .	{ Merged in Western Bank.
18.	Glasgow } joined . . . . .	{ Afterwards joined Union Bank of Scotland.
7.	Ship . . . . .	{
19.	Hunters & Co., Ayr . . . . .	{ Ditto.
20.	Leith Bank . . . . .	{ Failed.
22.	Montrose Bank . . . . .	{ Wound up.
23.	Paisley Bank . . . . .	{ Merged in British Linen Company.
24.	Paisley Union Bank . . . . .	{ Merged in Union Bank of Scotland.
26.	Perth Union Bank . . . . .	{ Wound up.
27.	Ramsay's, Bonar's, & Company . . . . .	{ Ditto.

- 28. Renfrewshire Banking Company . . . Failed.
- 29. Shetland Bank . . . Ditto.
- 30. Sir W. Forbes, J. Hunter, & Co. . . Joined with Union Bank.
- 31. Stirling Bank . . . Suspended; paid in full.
- 32. Thistle Bank . . . Merged in Union Bank.

*Non-Issuing Private Banks.*

- Thomas Kinnear & Sons } . . . { United under the firm of Kinnears,
- Donald Smith & Co. } . . . { Smiths, & Co., and afterwards failed.
- R. Allan & Son . . . Failed.
- Alexander Allan & Co. . . . Continue in business as formerly.

**Of the Banks formed since 1826:—**

The Glasgow Union Bank joined, in 1844, the private bank, at Edinburgh, of Sir William Forbes & Co.; and afterwards took the title of the Union Bank of Scotland.

The Edinburgh and Leith Bank, and The Glasgow Joint-stock Bank, united in 1844, and formed a new bank, called the Edinburgh and Glasgow Bank.

The Ayrshire Banking Company merged in the Western Bank of Scotland.

The Southern Bank of Scotland became, in 1842, the Dumfries Branch of the Edinburgh and Leith Bank.

From this statement it will appear that the Union Bank of Scotland embraces the following banks:—

- 1. The Glasgow Union Bank. Formed since 1826.
- 2. The Paisley Union Bank. No. 23 in the first table.
- 3. Glasgow Banking Company. No. 18.
- 4. Carrick & Company, or Ship Bank, Glasgow. No. 7.
- 5. Sir William Forbes & Co. No. 30.
- 6. Thistle Bank, Glasgow. No. 32.
- 7. Hunters & Co., Ayr. No. 19.

The Western Bank of Scotland also embraces several original banks:—

- 1. The Western Bank of Scotland. Formed since 1826.
- 2. The Dundee Union Bank. No. 13.
- 3. Greenock Banking Company. No. 17.
- 4. The Ayrshire Banking Company. Formed since 1826.

The Edinburgh and Glasgow Bank is formed of three banks:—

The Edinburgh and Leith Bank.  
The Southern Bank of Scotland, at Dumfries.  
The Glasgow Joint-Stock Bank.

The banks that have failed or wound up since 1826 are the following:—

- 1. Exchange and Deposit Bank, Edinburgh. No. 14.
- 2. Fife Banking Company. In 1825, No. 16.
- 3. Leith Banking Company. No. 20.
- 4. Renfrewshire Banking Company, Greenock. No. 28.
- 5. Montrose Bank. No. 22.
- 6. Perth Union Bank. No. 26.
- 7. Ramsay's, Bonar's, & Co., Edinburgh. No. 27.
- 8. Shetland Bank. No. 29.
- 9. Stirling Bank. No. 31.

▲ ▲ \*



From this account it will appear that out of the thirty-two banks contained in my list of 1826 only nine remain. These are the following:—

1. The Bank of Scotland. No. 1.
2. The Royal Bank of Scotland. No. 2.
3. The British Linen Company. No. 3.
4. The Aberdeen Banking Company. No. 4.
5. Aberdeen Town & County Bank. No. 5.
6. Commercial Bank of Scotland. No. 8.
7. Dundee Banking Company. No. 10 and No. 11.
8. National Bank of Scotland. No. 21.
9. Perth Banking Company. No. 25.

Most of the banks that have ceased to exist were banks having only a few partners, and their capital was unknown. The banks that have since been formed have many partners, and generally a large amount of capital. It was probably in consequence of the greater strength of the new banks that the old ones found it expedient to discontinue business. The change has doubtless been for the advantage of the public, and it has taken place without being attended with any inconvenience or excitement. Indeed, we think that in all cases where the law leaves banking free, the effect is to reduce the number of banks. We are aware that the general impression is the reverse.

“The argument presumes, that in case of free banking the number of banks would be very great. Are we justified in supposing that this would be the case? Theory exclaims, ‘Yes’; experience whispers, ‘No.’ The numerous banks in America are not the result of free trade, but are the result of the Acts of the Legislature. The State Legislatures have thought proper to give a large number of charters, and of course there is a large number of banks. Had the charters been fewer, and required higher paid-up capitals, the banks would have been larger and more respectable. The number of banks in England, too, have been the result of the interference of the Legislature. In the renewal of the charter of the Bank of England in 1708 it was enacted, that no other bank having more than six partners should have the privilege of issuing notes. As the growing trade and wealth of the country required banks of some sort, and as banks having more than six partners could not be formed, a great number of banks, each not having more than six partners, rose into existence as they were required by the increasing trade and wealth of the country. Hence, instead of having a small number of large banks, we have had a large number of small banks.

“If we look to Scotland, where banking has been free, we find that the total number of private and joint-stock banks is only twenty-eight.\* Banking has been free beyond fifty miles from Dublin for the last fifteen years, yet throughout that district there are only five banks of issue, with the exception of the Bank of Ireland. In England, where there has been, as we are told, a frenzy in their favor, the joint-stock banks of issue are only ninety-one,† and probably they would have been less numerous had

\* This was written in the year 1840. The present reduced number of banks strengthens our argument.

† At present, sixty-six.

not the law excluded them from London. The capital which has been embarked in a number of small local banks would have been invested in large London establishments, and the place of the local banks would have been occupied by branches of the London banks. From these facts, it seems fair to infer that some of the small joint-stock banks, and many of the private banks, will in the course of the next twenty years be merged in larger establishments. The supposition that unlimited freedom of banking would lead to the establishment of an inconvenient multitude of banks is wholly unsupported by the testimony of experience." (*Currency and Banking*, by J. W. Gilbart.)

The existing banks in Scotland are thus distributed : —

Edinburgh is the head-quarters of the following banking institutions : —

- |                                |                                     |
|--------------------------------|-------------------------------------|
| 1. The Bank of Scotland.       | 4. The Commercial Bank of Scotland. |
| 2. The Royal Bank of Scotland. | 5. The National Bank of Scotland.   |
| 3. The British Linen Company.  | 6. The Edinburgh and Glasgow Bank.  |

All these banks issue notes, and have branches. The first five have charters. The charters of No. 4 and No. 5 are comparatively of recent date, and do not limit the liability of the shareholders.

The Exchange Bank of Scotland : — This bank has a charter under the Act of 1844 (7 & 8 Vict. c. 32). It does not issue notes, and has no branches.

Glasgow is the head-quarters of the following banks : —

- |                                  |                              |
|----------------------------------|------------------------------|
| 1. The Union Bank of Scotland.   | 3. The Clydesdale Bank.      |
| 2. The Western Bank of Scotland. | 4. The City of Glasgow Bank. |

The North British Bank, at Glasgow, does not issue notes, and has no branches. Its capital has been reduced from £ 233,270 to £ 156,520 by the purchase of its own shares. These purchases have been carried to the "Reserved Fund Account."

Dundee is the head-quarters of three banks, Aberdeen of three, Perth of two, and Inverness of one. All the other places in Scotland have only branches. Branches of other banks are also established in Edinburgh, Glasgow, Dundee, Aberdeen, Perth, and Inverness, besides the banks whose head offices are in those places.

### III. — *A Comparison between the Banks of Scotland and those of England.*

The differences between the English and the Scotch banks are the following : —

1. The Scotch banks are all joint-stock banks. In England there is a mixture of joint-stock and private banks.
2. The Scotch banks are nearly all banks of issue. In England there are many, both private and joint-stock banks, that are not banks of issue.
3. The Scotch banks generally have branches. In England most of the private banks, and some of the joint-stock banks, have no branches.
4. The Scotch banks universally grant interest on the balance of current accounts, — a practice not universally adopted in England, especially in London.

5. The mode of making advances by way of "cash credit" is general in Scotland, but very rare in England.

We may also observe some other differences, chiefly of a business character, which have an important bearing on the interest of the community.

1. The banks of Scotland have generally a large paid-up capital.

"Two great errors appear to have been committed in the formation of joint-stock banks in England, and, until these are remedied, such establishments can hardly expect to reach a higher degree of importance or credit than is attainable by a wealthy private bank. These evils are, in the first place, too small a capital relatively to the extent of business undertaken; and, in the next place, the circumstance of the issues of the joint-stock banks being left uncontrolled by any effective system of exchange."

"The advantage of a small capital in banking is, that it enables the establishment, if at all successful in business, to pay a large dividend. The profits of banking depend, in a great measure, on the amount of deposits and circulation, and according as these are great or small compared with the extent of the capital, will the company be enabled to divide a larger or smaller dividend. It therefore becomes the obvious policy of those establishments, the managers of which conceive that the success of a bank is proved by the early payment of a high dividend, to keep the capital of the company within the narrowest possible limits. This system has been carried to the utmost extreme in England; and hence, although large dividends have been paid to the shareholders, there has been no corresponding increase of confidence on the part of the public.

"The Scotch banks, on the other hand, have pursued a directly opposite course. Their object has been to secure public confidence by the extent of their capital, and they have continued to pay moderate dividends to their shareholders, until justified in augmenting them by years of success, and a large accumulated sinking-fund. So well, indeed, is this system understood, and so completely has it attained its purposes, that the slightest appearance of improvidence displayed by a Scotch joint-stock bank, in fixing the amount of its dividend, has been invariably attended with a decrease of the public confidence in the stock of the establishment. In this manner public confidence has been secured, the value of Scotch bank stock has risen in the market, and the shareholders have received their extra profits as a *bonus*, or in the increased value of their own shares. Thus, instead of being looked upon as establishments aiming at the ephemeral advantage of making a large dividend, for stock-jobbing or temporary purposes, our banks have almost invariably assumed the character of permanent national establishments, identified with the prosperity of the country, and, by means of their small-note circulation, conferring benefit on, as well as obtaining the confidence of, every class in the community." (Letter to James William Gilbart, Esq., on the Relative Merits of the English and Scotch Banking Systems; with Practical Suggestions for the Consolidation of the English Joint-stock Banking Interest. By Robert Bell.—Mr. Bell is now manager of the City of Glasgow Bank, at Edinburgh; and was examined in 1848, as a witness before the Committee of the House of Commons on Commercial Distress.)

The eighteen banks in Scotland have a paid-up capital of £ 11,912,130, making an average to each bank of £ 661,785. The number of places of issue (banks and branches) is 403, making an average of capital to each place of £ 29,558. The authorized circulation for Scotland is £ 3,087,209, making an average to each place of issue of £ 7,660.

The ninety-nine joint-stock banks of England have a paid-up capital of about £ 14,000,000, making an average to each bank of about £ 140,000. The joint-stock banks and branches in England are 513, making an average of capital to each place of about £ 27,290.

The sixty-six joint-stock banks of issue in England have a paid-up cap-

ital of about £ 6,000,000, making an average capital of about £ 91,000. The number of places of issue, banks and branches, is 407, making an average of capital to each place of about £ 15,000. The authorized issue is £ 3,409,987, making an average of about £ 8,378 to each place of issue.

There are 184 private country banks in England, issuing notes at 375 places. Their authorized issue is £ 4,822,488, making an average to each bank of £ 26,200, and of £ 12,860 to each place of issue. The capital of these banks is unknown.

2. In operating on his current account, it is not the general practice in Scotland for a customer to draw cheques on the bank for his individual payments, nor to accept bills payable at the bank. If he has to make twenty payments in the course of the day, he will go to the bank in the morning, and draw out in one sum a sufficient amount of notes to make all these payments. On the other hand, if a customer should receive money from twenty different people in the course of the day, he will not receive cheques, as there are none in circulation, but bank notes, which at the close of the day he will pay in one sum into the bank. In England, all these receipts and payments would be made in cheques, each having probably odd shillings and pence. From this cause, the trouble and expense to a bank of conducting a current account is much greater in England than in Scotland.

A few years ago an attempt was made to form a bank, to be called the Dunedin Bank of Scotland. One of the advantages it held out to the public was the adoption of the English system of drawing cheques for individual payments. The advantages of this system are pointed out in the following terms:—

"Another prominent feature of the proposed institution is the proposal to take in and pay out for customers 'any sum, however small.' Though troublesome to the bank, such a measure must be of incalculable convenience to parties dealing with it. Here, again, there is nothing absolutely new, as such a practice must, more or less, exist wherever there are cash accounts, forming, as it does, the essential element of these transactions. In the Dunedin Bank it is intended to extend the principle to its widest limit; in which case only its fullest benefits can be felt. Most banks are unwilling to arrange transactions of trifling amount, and, in consequence, their customers cannot follow up any determinate method of settling their accounts in that way. Without a universal and indiscriminate system of payment, however inconsiderable they may be, it is obvious that the practice of honoring larger drafts, — and those only for sums of so many pounds in exact number, — the operation of settling accounts in this manner is at best of a mixed description, and does not afford the whole advantages to be derived from it. Were the principle adopted in its full extent, the bank would, in reality, become general cashier for their customers; and the necessity of having money in hand for the purpose of meeting every-day expenses would be in a great measure superseded. A larger portion of funds would be, consequently, in deposit, bearing interest, and, at the same time, as ready for use as if in the coffer or pocket-book of its owner. By this means, likewise, a regular journal of receipt and expenditure would be carried on without the slightest trouble on the part of the individual concerned, who, at the end of the year, or of the periodical balancing of accounts, would find an authentic record of his ordinary transactions. Here, too, he would find the vouchers for the payments he had made; and would be under no apprehension of being called upon in repetition of payment through any loss of his receipts. To insure accuracy, both in regard to small cash payments and calculations of interest, it is contemplated to institute a farthing column in the books of the Dunedin Bank, in order that sums may be computed with greater minuteness and precision. As much

inconvenience and trouble will be necessarily incurred by the adoption of this plan, it is proposed to meet the additional expense by a small tax upon the transactions themselves; and it is calculated that the trifling commission of a half-penny upon each single payment and entry, or 4s. 2d. upon the hundred, will afford sufficient remuneration for the increase of labor. Should this fee be found too small to remunerate, or to guard sufficiently against the abuse of the privilege, it will, of course, be easy for the bank to increase the charge, — say to one penny, or more, on each transaction."

3. The system of numerous branches leads to uniformity all over Scotland in the terms on which business is transacted in the banks.

From the small number of banks that existed for many years in Scotland, and from the circumstance that the head offices of most of these banks were fixed at Edinburgh, it was easy for them to form arrangements among themselves for the regulation of their business. Hence arose a uniformity of practice among all the banks, and throughout the whole of Scotland.

This uniformity of practice does not exist in England. The system of London banking is different from that in the country. And the banking of one district differs from that of another district. It would be difficult to produce any general union in England, even among the joint-stock banks. There is a difference in the character of their localities. Their head offices are too wide apart to admit of frequent personal communication. And it may be feared that among the joint-stock banks of England there is not enough of that *esprit du corps* which is essential to the existence of a general confederation.

There is, however, considerable competition among the banks of Scotland. This rivalry, however, does not lead to transacting business on lower terms. Indeed these terms are always very moderate. The difference between the rate of interest allowed and charged is rarely more than one per cent. No commission is charged on current accounts; and it is only recently, we believe, that commission has been charged on the amount (not the operations) of cash credits. Sometimes the banks at Glasgow, when there is a great demand for capital, have been disposed to grant a higher rate of interest than the banks of Edinburgh. But this difference has soon been arranged. The provincial banks, too, have carried on a strong opposition against the branches of the Edinburgh banks. The late Thomas Kinnear, Esq., when asked what had led to the discontinuing of some branches of the Bank of Scotland, replied: —

"With respect to those that are beyond my memory, I cannot say what was the cause; but those that have been given up within my recollection, in point of fact, were given up in consequence of the town in which that branch had originally been established having accumulated wealth to such a degree, that it could afford a banking capital of its own, and that it had in point of fact established a local bank, then the connection of that local bank went so strongly against us by fair competition, that we found we could employ our capital to better purpose elsewhere, and gave up the branch." (*Commons*, 132, Kinnear.)

4. The system of numerous branches enables the banks of Scotland to transfer the surplus capital of the agricultural districts to the manufacturing and commercial districts, without going through the process of re-discounting their bills.

Some Scotch writers have considered it a reproach to the English

banks that they re-discount their bills, and have boasted that, with rare exceptions, the practice of re-discount is unknown in Scotland. The accusation is made without due consideration. The system of branches makes a difference in all banking arrangements. A bank in an agricultural district, say at Norwich, has a superabundance of money. A manufacturing town, say Manchester, has a demand for money. The bank at Norwich will send its money to a bill-broker in London. The bank at Manchester will send its bills to the same broker. A re-discount takes place. But let us suppose that the bill-broking establishment should become the head office of a large bank, having one branch at Norwich, and another at Manchester. Then no re-discount will occur. The bills discounted at Manchester will never pass out of the possession of the bank. Nevertheless, the surplus funds at Norwich will be transferred to meet the wants of Manchester as effectually as before. This is an illustration of the branch system in Scotland. A bank at Edinburgh will have branches in both the agricultural and the manufacturing districts. Or a bank whose head office is in a manufacturing town, will have branches in the agricultural districts. Thus the surplus funds of Perth, Ayr, and Dumfries, are speedily transferred to be employed at Glasgow, Paisley, and Dundee. Were a bank to be established at Glasgow, without branches, it would probably have occasion for discount at certain times, as well as the banks at Manchester or Leeds.

At the same time, we think this transfer of capital by means of branches is better than by means of re-discount. There is no occasion for the intermediate party, the bill-broker. The bills do not go out of the bank, so that men's transactions do not become known. The abuses connected with re-discount by fictitious bills are effectually prevented; and the bank can more readily regulate its advances in accordance with its means. To recur to our illustration: — The bank at Norwich may lose a large amount of its deposits; the bank of Manchester, knowing nothing of this, may continue its advances in dependence upon receiving its usual re-discount. The check may at length come so suddenly that the Manchester bank may be placed in difficulty. Under the branch system, should any large amount of deposits be withdrawn from one branch, the bank would immediately limit its advances at the others. The advantage of this system on the approach of a pressure is obvious.

5. The system of numerous branches leads to more regularity and uniformity in the mode of making their exchanges: —

"The system of exchanges centres in Edinburgh. In that city a general exchange of the bank notes of all the banks of issue in Scotland takes place twice a week. This exchange is made alternately within the office, and under the superintendence of the Bank of Scotland and of the Royal Bank. On these exchange days, clerks from all the banks having establishments in Edinburgh assemble, bringing with them the notes which each bank has collected, not only in Edinburgh, but, by means of their branches, all over the country; and as the Edinburgh banks act as agents for the several provincial banks, and, as such, exchange or give value for their notes, the whole banking interest of Scotland, so far as concerns the exchange of notes, is represented in the 'Clearing-room.'

"On these occasions a mutual exchange is made by the several clerks assembled, giving the notes of other banks which they hold, and taking their own in exchange. After this exchange of notes, a balance is struck, and each clerk hands over to the offi-

cer of the presiding bank a statement, showing the amount of the balances as between his own bank and each of the other establishments. The aggregate balance on this statement shows the result of the day's exchange as it affects each bank; and that balance will be for or against any given bank in the precise proportion in which its recent transactions have exceeded or fallen short of its emerging and available resources.

"The ultimate balance against every bank was formerly paid by a draft on London at ten days' date. But this mode of settlement having been found inconvenient, and having on one occasion led to considerable loss, in consequence of the failure of a private bank in Edinburgh, a different arrangement was then made, and is now acted upon. According to that arrangement, every Scotch bank of issue having an establishment in Edinburgh is bound to hold a certain *quota* of £1,000 exchequer bills. This *quota* is proportioned to the average circulation of the particular bank; and with these exchequer bills the balances of exchange are paid, the fractional parts of £1,000 being settled by £100 Bank of England notes or gold.

"As the object of this system is to oblige each bank to hold a certain amount of tangible Government paper to meet any fluctuation and excess in its issues, the several banks are further bound, under the general exchange arrangement, to sell or to buy exchequer bills to or from each other whenever the number of bills which any one bank holds exceeds one third, or falls short in the same proportion, of the conventional *quota*. These purchases and sales of exchequer bills made from and to the banks reciprocally are settled for by the bank making the purchase, by a draft on London at five days' date, with a commission equivalent to the eight days which the draft has to run at the exchequer bill rate of interest. In order to prevent the risk of these mutual sales and purchases of exchequer bills being converted into stock-jobbing transactions, the purchases are made at par, and each bank holds its *quota*, in its own name, direct from Government, while the general supply of exchequer bills is kept in the circle by being specially marked as '*Edinburgh Exchange Exchequer Bills*.'

"Still further to complete the control of the banking interests over these exchange arrangements, a statement is produced by each bank on every exchange day, showing the amount of exchequer bills which it holds. And it is only necessary to add, that these exchange regulations, which have been found so salutary in practice, are the result of mutual and voluntary concert among all the banks; and although it may be said that they are not compulsory, yet in effect they are so, since any bank of issue refusing to accede to them would incur the risk of having its notes refused by the combined banks, which in Scotland would be tantamount to a suppression of the non-acceding bank as a bank of issue.

"In addition to these exchanges in Edinburgh, there are also exchanges made on the same days in Glasgow; and the balances being advised by post to Edinburgh, are settled for next morning in the same manner by exchequer bills and Bank of England notes. So also, in order to save the trouble and risk of transmitting to Edinburgh or to Glasgow, notes collected by the different agents in the country, wherever there are two or more branch banks in the same town, their managers or agents exchange notes, and advise the state of balances to Edinburgh, when they are included in the next ensuing general exchange.

"What I have now said may be sufficient, without going into further detail, to give a general idea of our system of exchanges. The Scotch banking interests have been mainly indebted, it is believed, for the complete organization of this system, to Mr. Blair, the Treasurer of the Bank of Scotland, one of the most talented of our Scotch bankers; and although in description it may appear complicated, nothing can be simpler or more satisfactory than its operation in practice; nor can any check be more efficacious."\*

The Scotch bankers are loud in their praises of the system of exchanges. And justly so. But they are in error when they suppose that nothing like it exists in England. We have shown that the country banks make their exchanges with each other, and pay the difference by a draft on London. These operations have the same effect as the exchanges in Scotland of withdrawing from circulation all the superfluous notes; that is

\* The Letter, already quoted, addressed to me by Mr. Bell.

to say, all the notes that come into the hands of the bankers. If it be true that notes remain out longer in circulation in England than in Scotland, it arises not from any difference in the system of exchanges, but from a difference in the habits of the people with regard to "keeping a banker." If a Scotch banker issue £1,000 of notes in the morning, he feels assured that these notes will be paid into some other bank in the course of the day. An English banker is not so sure. The party may not "keep a banker," and he may then lock up the notes in a strong box for a week or ten days, until he have occasion to make a payment. We think it desirable that every man who has money should lodge it in a bank, not merely for interest, but for security; and therefore we approve of the Scotch practice. But it is this universal practice of having a banker, and not merely the system of exchanges, that withdraws notes so rapidly from circulation.

At the same time, it should be stated that the Scotch bankers are of opinion that our system of banking in England is chargeable with some portion of the blame. They say that as the English banks do not universally allow interest on deposits and current accounts, the people have not the same inducement as in Scotland for placing their money in a bank. And as many banks charge commission on the operations of a current account, it is the interest even of those who keep bankers to pay away the notes they receive to other parties, rather than to lodge them to their credit with their banker. On this subject I may quote the following extract from the second letter addressed to me by Mr. Bell. (A Letter to J. W. Gilbart, Esq., on the Regulation of the Currency by the Foreign Exchanges, and on the Appointment of the Bank of England to be the sole Bank of Issue throughout Great Britain. By Robert Bell.)

"In Scotland we have adopted every means to concentrate the resources of the country in the hands of the banker. We allow a liberal rate of interest on deposits, while we not only encourage small capitalists and traders to open accounts with us, but we induce our customers to make frequent operations on their accounts, and the result is that every superfluous bank note is rapidly returned upon the issuer. The very opposite course is pursued in England; you allow no interest on deposits, you give no encouragement to small depositors, while you put a barrier in the way of your customers making frequent operations, by the charging a commission on the debit side of their accounts; the consequence of which is, that not only your paper but your gold currency stagnates in the hands of the public during times of prosperity, leaving the paper issues to be poured back upon the issuers in seasons of adversity, thus aggravating in no slight degree the severity of monetary pressures."

Even were the keeping of a banker as general in England as in Scotland, the same system of exchanges could not be adopted. The Scotch system requires an equality, or an approach to it, among the several banks; that the head offices of these banks, generally, should be in the capital; and that the banks should have numerous branches throughout the country. These circumstances do not exist in England. And, moreover, we have the Bank of England, whose notes are a legal tender. It is obvious there can be no exchange of notes in places where, as in London, there is only one bank of issue. But the exchanges between English country banks are precisely upon the same principle as those in Scotland, and have similar effects. The differences are paid by drafts on London, payable on demand; and these drafts again pass through the clearing.

B B

325

THE UNIVERSITY OF CHICAGO LIBRARY



Another advantage ascribed to the Scotch system of exchanges is, the surveillance which, by this means, the large banks at Edinburgh are able to exercise over the smaller banks in the provinces. That this surveillance exists in Scotland, and that it has been exercised beneficially, we entertain no doubt. It is equally true that such a surveillance does not exist in England. But the system of exchanges is not the cause of this surveillance, it is merely the instrument. In Scotland, the banks being few, and all their head offices being at Edinburgh, they are able to confer together, and to fix on rules for their general government. With any inferior bank that refuses to comply with these rules they can refuse to exchange notes, and thus force it to compliance. In England, where the banks are numerous, and where their head offices are distant from each other, such a system cannot well be formed; and hence each bank is free from the control of other banks, and may pursue any course it pleases, however injurious to itself or to others, so long as it is able to make good its payments to the public. The banks at Edinburgh, too, by means of their numerous branches, have the earliest information of any irregular practice that may have been adopted by a local bank in the provinces; but the large banks in London have comparatively but a very imperfect knowledge of the operations of either the private or the joint-stock banks that are scattered over the country.

From a want of this surveillance, banks in England have carried on business for years after they have been supposed to be insolvent. Hence they have gone on until their losses have not only absorbed the whole of their capital, but have required, to replace them, further demands to a large amount from their shareholders. In Scotland, these banks, if they could not be kept in the right path, would probably have been compelled to stop before they had wandered so widely. Banks, as we have seen, do sometimes fail in Scotland, but never under circumstances that shake the public confidence in the general banking institutions of the country.

6. The confidence placed in the banks of Scotland by the public renders them less exposed to inconvenience during a season of pressure.

When a pressure takes place in England, the first objects of suspicion are the banks. People that have money in their banker's hands draw it out and hoard it. The bankers, knowing that they are liable to these demands, draw in their funds, and make provision accordingly. Hence the capital of the country is rendered dormant at the time when it is most required to be in a state of activity. Banks that issue notes are more liable than others to these sudden demands. But no such feeling exists at present in Scotland. And should the Act of 1845 have the effect of inoculating the people with the love of gold, and by this means place the banks in the same position during a pressure as the banks of England, it must be regarded as a national calamity.

On this subject, we again quote from the letter of Mr. Bell:—

"Nor are these benefits, great as they are, the only advantages which we have derived from our system of banking. Our one-pound notes connect and familiarize every artisan and laborer in the country with our banking establishments; and the implicit confidence in our paper currency, thus created and perpetuated by the general experience of the sufficiency of our banks, has on many occasions been remarkably illustrated. It is no exaggeration to say, that at this moment nine tenths of the laboring

classes of Scotland, if they had their choice, would prefer a one-pound note to a sovereign; and, as a consequence of this feeling of security, combined with a sense of the other advantages of the system, no one in Scotland can have forgotten the truly national stand on behalf of our currency, which was made by rich and poor in the year 1825, when your English economists proposed to visit us with an injury similar to that which was in that year inflicted on England.

"With banking establishments thus preëminently possessed of national confidence, no mercantile convulsion has hitherto created any general run on our great joint-stock banks. It has been otherwise in England, where, in consequence of legislative enactments, the public have been taught to regard *gold and silver* as the only representatives of value. The bond of union between the banks and the mass of the people has thus been severed; and when a monetary crisis occurs, its consequences are incalculably more injurious. With us (though very rarely), runs have been occasionally made on particular banks; but it has been merely to withdraw a deposit from one bank to place it in another; or to exchange the notes of a suspected bank for the notes of one of our national joint-stock banks, the prevailing confidence in our paper currency remaining unshaken. In this way the disposable banking capital or resources remain in the aggregate unchanged; whereas with you the run is for *gold*; and the coin thus withdrawn from one bank is not re-deposited in another, but hoarded till the panic is over, by which means the entire banking resources of the country are involved in the consequences of the temporary disaster; and this, too, at the very time when these resources are most needed."

#### IV. — Laws of the Currency in Scotland.

In Scotland the lowest point of the circulation is in March, and the highest in November. The advance, however, between these two points is not uniform, for the highest of the intervening months is May, after which there is a slight reaction; but it increases again until November, and falls off in December. The reason of the great increase in May and November is, that these are the seasons for making payments. The interest due on mortgages is then settled, annuities are then paid, the country people usually take the interest on their deposit receipts, and the servants receive their wages. There are frequently large sums transferred by way of mortgage. It is the custom of Scotland to settle all transactions, large as well as small, by bank notes, not by cheques on bankers, as in London. It is remarkable that these monthly variations occur uniformly every year, while the amount of the circulation in the corresponding months of different years undergoes comparatively very little change.

A TABLE, showing the CIRCULATION OF ALL THE BANKS IN SCOTLAND on the last Saturday in March, July, and November, in the years 1834, 1835, 1836, 1837, 1838, and 1839.

	Number of Banks.	March. £	July. £	November. £
1834	21	2,834,627	3,094,468	3,497,795
1835	21	2,822,417	3,097,947	3,457,899
1836	21	2,934,292	3,222,142	3,657,431
1837	22	2,875,404	2,962,673	3,560,242
1838	23 - 24	2,811,377	3,060,199	3,688,410
1839	24 - 28	3,041,545	3,120,183	3,559,599

This table shows us, first, that the circulation of Scotland is at its lowest point in the month of March, is higher in July, and reaches its highest point in November. Secondly, in the corresponding months of different years there is but little difference in the amount of the circulation. We find that during a course of six years, the difference between the lowest

and the highest circulation in the corresponding months is very trifling. Thirdly, the increase in the number of banks does not produce a corresponding increase in the amount of notes in circulation. In November, 1834, the number of banks of issue was twenty-one; by November, 1839, they had increased to twenty-eight; yet the circulation at the former period was £ 3,497,795, and in the latter, £ 3,559,599. Fourthly, these facts prove that the circulation of Scotland does not produce any effect upon prices, nor, consequently, upon the foreign exchanges. It is hardly necessary to adduce evidence in proof of the fact, that the prices of commodities do not go on increasing from March to November in every year; and if they do not, they cannot be regulated by the currency. Fifthly, this regularity in the circulation shows that it must be governed by some uniform laws, arising from the local circumstances or habits of the country; and this we think will always be the case where the banks are passive, and permit themselves to be operated upon by the wants of the trade and commerce carried on in their respective districts. (*Currency and Banking*, by J. W. Gilbart.)

That the laws of the currency in Scotland are the same since the passing of the Act of 1845 as before, is evident from the following Table:—

*AN ACCOUNT OF THE CIRCULATION OF THE BANKS OF SCOTLAND during the four weeks ending at the under-mentioned dates, in the years 1846, 1847, and 1848, distinguishing the notes of £ 5 and upwards from those below that amount.*

Date.	Number of Banks.	Fixed Issue.	£ 5 and upwards.	Under £ 5.	Total.
1846. March 28	18	£ 3,087,209	£ 828,778	£ 2,189,993	£ 3,018,771
Aug. 15	"	"	1,013,539	2,358,365	3,371,904
Dec. 5	"	"	1,235,072	2,761,786	3,996,858
1847. March 27	"	"	1,063,384	2,296,959	3,360,343
July 17	"	"	1,121,236	2,374,682	3,495,918
Dec. 4	"	"	1,143,241	2,589,241	3,732,482
1848. March 25	"	"	932,496	2,019,439	2,951,935
July 15	"	"	982,963	2,123,680	3,106,643
Dec. 2	"	"	1,158,981	2,411,141	3,570,122

The Act of 1845 does not appear to have much effect on the amount of notes in circulation. But it has had an effect in other ways. It has required the Scotch banks to keep a larger amount of gold in their vaults. This is evident from the following Table:—

*A RETURN OF THE AGGREGATE AMOUNT OF NOTES IN CIRCULATION IN SCOTLAND, AND OF THE AGGREGATE AMOUNT OF GOLD COIN AND BULLION HELD BY BANKS IN SCOTLAND, ON THE LAST DAY OF THE SECOND WEEK OF FEBRUARY AND NOVEMBER, IN THE YEARS 1842, 1843, 1844, 1845, 1846, and 1847.*

Years.	FEBRUARY.		NOVEMBER.	
	Notes. £	Coin. £	Notes. £	Coin. £
1842	2,710,515	408,220	3,078,289	411,070
1843	2,552,267	481,102	3,149,554	381,907
1844	2,690,969	422,968	3,555,789	324,982
1845	2,982,867	403,083	3,784,118	676,674
1846	3,097,930	1,116,088	4,046,526	1,284,261
1847	3,533,346	1,280,597	3,783,904	1,100,258

It has also had the effect of inducing the banks to increase their charges, and to decline granting cash credits. The banks are required to keep in

their coffers a large amount of gold. This increased amount yields no interest; and hence to that extent the Act diminishes their profits. To make up the same amount of profit as heretofore, the charges for discounts and advances are increased. This illustrates a principle that we think will always be found correct, that *restrictions upon banks are taxes upon the public*. This principle is not sufficiently obvious to statesmen, nor even to the public, in England; the mercantile classes have been pleased, rather than otherwise, when laws have been passed injurious to bankers. In Scotland such matters are better understood. The commercial classes have always rallied round the banks; they have had the sagacity to perceive the truth of the principle we have advanced; they know that capital employed in banking must be made to produce an average profit: and if the Legislature causes one branch of business to be less productive, the bankers must make other branches more productive, in order to render capital employed in banking as profitable as it would be if employed in other occupations. But the Act of 1845 not only increased the charge, it led to a limitation of accommodation. There is no one point on which Scotchmen, of all classes, are more unanimous in opinion, than on the advantages that have arisen to their country from the system of cash credits. This system can exist only with a note circulation. One of its objects on the part of the banker is to increase his circulation. But he has no profit by increasing his circulation of notes, if he must keep in his coffers an additional amount of gold equal to that increase. But gold is the idol of our currency theory. The cash credit system, therefore, with all the virtues it produced, has been offered up in sacrifice to this "golden calf."

The following Table shows the Circulation of all the banks in Scotland during the year 1848:—

AMOUNT OF BANK NOTES authorized by law to be issued by the several BANKS OF ISSUE IN SCOTLAND and the AVERAGE AMOUNT OF BANK NOTES IN CIRCULATION and of COIN held during thirteen periods of four weeks, from December 4th, 1847, to November 4th, 1848, as published in the Gazette.

Names of Banks.	Authorized Circulation.	Average Circulation.	Coin.
Bank of Scotland . . . . .	£ 300,485	£ 326,276	£ 160,042
Royal Bank . . . . .	183,000	182,293	80,866
British Linen Company . . . . .	438,024	408,300	142,052
Commercial Bank of Scotland . . . . .	374,880	430,415	146,449
National Bank of Scotland . . . . .	297,024	292,681	70,415
Union Bank of Scotland . . . . .	327,223	304,923	91,163
Edinburgh & Glasgow Bank . . . . .	136,657	124,048	36,716
Aberdeen Banking Company . . . . .	88,467	103,776	33,652
Aberdeen Town & County Bank . . . . .	70,133	83,767	18,950
North of Scotland Banking Company . . . . .	154,319	141,919	18,772
Dundee Banking Company . . . . .	33,451	27,821	5,281
Eastern Bank of Scotland . . . . .	33,636	31,806	6,518
Western Bank of Scotland . . . . .	337,938	374,959	111,694
Clydesdale Banking Company . . . . .	104,028	100,621	28,001
City of Glasgow Bank . . . . .	72,921	104,366	52,657
Caledonian Banking Company . . . . .	53,434	55,296	15,762
Perth Banking Company . . . . .	38,656	43,738	13,738
Central Bank of Scotland . . . . .	42,933	43,743	10,880
<b>Totals . . . . .</b>	<b>3,087,209</b>	<b>3,180,748</b>	<b>1,043,608</b>

B B \* 329

THE UNIVERSITY OF CHICAGO LIBRARY

The following is the latest return, taken from the Bankers' Magazine for May, 1849, and shows the proportion between the notes of £5 and above, and those below £5. One advantage arising from this publication is, that we can so readily refer to the records of the circulation. Those who have never waded through Parliamentary Returns in order to prepare tables for the public little know the time and labor thus consumed. We now find this done to our hand, and laid before us in a most lucid manner, every month. The future history of banking and of currency will be compiled from the facts recorded in the pages of the Bankers' Magazine.

**AVERAGE CIRCULATION and COIN held by the SCOTCH BANKS during the four weeks ending Saturday, the 24th day of March, 1849.**

Names of Banks.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amount of Gold & Silver Coins held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
Bank of Scotland . . . . .	£ 300,485	£ 95,125	£ 194,640	£ 289,774	£ 160,304
Royal Bank of Scotland . . . . .	183,000	58,769	115,037	173,796	79,001
British Linen Company . . . . .	438,024	125,255	255,999	381,254	135,357
Commercial Bank of Scotland . . . . .	374,860	124,928	257,145	382,073	107,951
National Bank of Scotland . . . . .	297,024	85,453	182,351	267,804	55,977
Union Bank of Scotland . . . . .	327,223	107,477	190,477	297,954	105,685
Edinburgh & Glasgow Bank . . . . .	136,657	45,208	73,924	119,130	24,635
Banking Company in Aberdeen . . . . .	86,467	31,213	68,856	100,070	40,307
Aberdeen Town & County Bank . . . . .	70,133	21,834	52,969	74,703	16,925
North of Scotland Banking Company . . . . .	154,319	46,853	80,512	127,365	19,844
Dundee Banking Company . . . . .	33,451	8,208	18,996	27,205	4,686
Eastern Bank of Scotland . . . . .	33,636	11,876	18,226	30,102	8,170
Western Bank of Scotland . . . . .	337,938	99,864	255,937	355,801	116,909
Clydesdale Banking Company . . . . .	104,028	20,233	70,632	90,865	31,193
City of Glasgow Bank . . . . .	72,921	39,572	58,657	98,229	55,670
Caledonian Banking Company . . . . .	53,434	13,626	23,163	46,789	16,642
Perth Banking Company . . . . .	38,656	10,187	24,554	34,741	11,102
Central Bank of Scotland . . . . .	42,933	10,603	26,961	37,464	11,243
<b>Totals . . . . .</b>	<b>3,087,209</b>	<b>956,272</b>	<b>1,978,945</b>	<b>2,935,120</b>	<b>1,009,173</b>

Among the theories on the currency was a notion of establishing one bank of issue for the United Kingdom. The following evidence on this subject was given by Mr. Kennedy, the manager of the Ayrshire Bank, before the Committee on Banks of Issue in 1841:—

"Do you think the establishment of a single bank of issue for the United Kingdom would be advantageous or otherwise to Scotland?" . . . "I conceive that it must be very destructive to Scotland."

"In what way?" . . . "It is perfectly clear that it would overturn the present system of banking in Scotland. Our system of banking is based upon the power that our currency gives us to allow a high rate of deposit interest; if you take from us the profit that our currency yields, we must make our profit from some other source; we must increase the charges to the community, and allow less interest, or probably no interest at all, and our system will be totally changed."

Another favorite notion has been the abolition of all notes under £5. A Committee of the House of Lords and a Committee of the House of Commons made reports on this subject in the year 1826. The evidence

produced by the Scotch banker was so overwhelming, that both the committees recommended the postponement of the measure. Robert Paul, Esq., secretary of the Commercial Bank of Scotland, stated to the Committee of the House of Lords that the following would be the effects of the abolition of the small notes (*Lords' Report*, p. 204):—

"We should diminish the number of our branches, because we should be involved in an expense in the transmission of gold, which the profits arising out of our branches could never compensate; they are not the most profitable part of our business; they are attended with a great many hazards and disadvantages.

"We should withdraw our cash accounts, because they could no longer accomplish the end for which they were granted; which was the maintaining our circulation, especially of our small notes.

"We should diminish the interest of our deposit accounts, because we should then be required to keep a very large amount of dead stock of gold in our coffers, to meet the constant variations that would arise, and to keep it wholly unproductive. I imagine that, if a gold currency were substituted for a small-note currency, there would be a much greater amount of gold required than there is at present of notes. We have at present, in order to meet the constant variations, a large amount of notes constantly on hand, and in the same way we should require a stock of gold, and that would be proportionably larger as the general circulation would be greater." (*Lords' Report*, p. 132.)

**WILMINGTON AND MANCHESTER RAILROAD BONDS.**—The bids for \$300,000 Wilmington and Manchester bonds were opened yesterday afternoon, at the office of Winslow, Lanier, & Co., at three o'clock. The number of bonds bid for was 531, at rates varying from below 80 per cent. to par. The successful bids were as follows:—

63 bonds at 100 per cent. . . . .	\$ 53,000.00	10 bonds at 90.55 per ct. . . . .	9,055.00
10 " 98 " . . . . .	9,800.00	25 " 90.45 " . . . . .	22,612.50
11 " 93½ " . . . . .	10,642.50	5 " 90.25 " . . . . .	4,513.00
2 " 95½ " . . . . .	1,915.00	25 " 90.30 " . . . . .	22,550.00
10 " 95 " . . . . .	9,500.00	12 " 90.05 " . . . . .	10,806.00
18 " 94 " . . . . .	16,920.00	78 " 90.00 " . . . . .	68,400.00
8 " 92 " . . . . .	7,380.00		
10 " 91½ " . . . . .	9,150.00	300 netting	\$ 278,886.00
25 " 90.65 " . . . . .	22,662.50		

The following were the successful bidders:—

E. W. Charles, Darlington, S. C.	5 at 100	Corcoran & Riggs, Washington,	25 at 90.45
H. Nutt, Wilmington, N. C.	5 at 100	" "	25 at 90.20
N. N. Nixen, Wilmington, N. C.	5 at 100	" "	20 at 90
Alfred Smith, Wilmington, N. C.	10 at 100	Chubb, Schenck, & Co., "	10 at 90.55
Eli Gregg, Mars Bluff, S. C.	15 at 100	" "	10 at 90.05
G. J. W. McCall, Darlington, S. C.	12 at 100	E. S. Whelen & Co., Philadelphia,	5 at 90.25
James S. Gibson, " "	10 at 98	Thomas McKenzie, New York,	2 at 90.05
R. Rogers, Black Creek, " "	8 at 98½	G. J. W. McCall, Darlington, S. C.	12 at 90
John A. Rogers, Black Creek, " "	3 at 96½	A. T. Clark, Tarboro, N. C.	1 at 90
D. Rees Gregg, Mars Bluff, " "	2 at 95½	Allen McFarlan, Cheraw, S. C.	20 at 90
James Maulsley, Whitesville, N. C.	10 at 95	M. J. McCall, Darlington, " "	2 at 90
Gilbert Pottier, Wilmington, " "	5 at 94	John F. Ervin, " "	5 at 90
Edward Kidder, " "	5 at 94	Wm. Evans, Marion Ct. House, S. C.	5 at 90
John A. Taylor, " "	5 at 94	J. A. Maltby, Whitesville, N. C.	4 at 90
H. M. Baldwin, Whitesville, " "	3 at 94	John Dawson, Wilmington, " "	5 at 90
Calvin Haynes, " "	3 at 92	R. Wooten, " "	2 at 90
DeRossett & Brown, Wilmington, N. C.	5 at 92		
Edmund Clark, Cleveland, Ohio,	10 at 91½	In all, . . . . .	300
Corcoran & Riggs, Washington,	25 at 90.65		

In addition to the above, there were 221 bonds bid for, — 211 at from 80 to 90, mostly at near latter price, and 10 at under 80.

It will be observed that the greater portion by far of the above loans was taken by residents of the two Carolinas, and one third by Corcoran & Riggs, of Washington, who will resell their bonds in small sums, mostly to their friends south of them. Only two bonds were taken in New York, and five in Philadelphia. The South are fully alive to the value of the road. — *New York Express*, July 11.

## MISCELLANEOUS.

**MARYLAND PUBLIC DEBT.** — "By order of the Treasurer of Maryland, I am directed to give notice that he will pay, on the 1st day of July next, the balance of the funded stock issued for arrear interest, now outstanding, after which day the same shall cease to bear interest. — JOHN S. GITTINGS, *Commissioner of Loans*."

It will be seen by the above advertisement that the Commissioner of Loans, under instructions from the State Treasurer, will pay, on the 1st of July, 1851, the balance of the outstanding funded stock issued for arrear interest. The stock, it will be recollected, was issued for interest in arrears during the suspension of the State from 1842 to 1848. On the 1st of July, 1851, the State will have paid all the stock issued for arrear interest, amounting to \$ 878,737.45. The first payment in redemption of this stock was made in October, 1849, and the whole will have been paid, with interest, in less than two years. It will be gratifying to every true son of Maryland to know these facts, constituting as they do the substantial evidences of the strict maintenance of the State's faith and of the steady and sure redemption of her public debt. Having thus disposed of the funded arrears of interest, the surplus means of the State will hereafter be exclusively applied to the reduction of her funded debt proper. — *Baltimore American*.

**MANUFACTURE OF STEEL PENS.** — Steel pens are almost entirely manufactured by women and young girls; and it is probable that, out of 2,000 persons or upwards now engaged in the business, not above 100 or 150 are of the male sex. The manufacture of pen-holders and pen-boxes gives employment to an additional number of women and children, variously estimated at from 200 to 400 persons. About the year 1820 or 1821, the first gross of "three slit" pens were sold, wholesale, at the rate of £ 7 4s. the gross. In 1830, they had fallen to 8s. and in 1832 to 6s. the gross. One factory alone, in Birmingham, produces them at the rate of no less than 40,000 gross, or 5,760,000 in a week, — very nearly a million, or 960,000 per working day, or 279,528,000 per annum. At the lowest calculation, Birmingham produces 1000 million per annum. The cheapest pens are sold as low as 2d. per gross, wholesale; and the price rises with the elasticity and finish of the pens up to 3s. 6d. and 5s. per gross.

Birmingham produces them all, and one establishment has the distinctive mark of 500 different dealers in all parts of the country, as well as on the continents of Europe and America, for whom he manufactures according to order.

The sheets of steel, received from Sheffield, are reduced to the required tensity by successive transits through the rolling-mill, operations tended by men and boys. When reduced to the thinness of a steel pen, length about two feet, breadth  $2\frac{1}{2}$  to 3 inches, the sheets are ready for punching out the blanks. This process is performed with very great rapidity, — one girl of average industry and dexterity being able to punch out about 100 gross a day. The next operation is to place the blanks in a concave die, on which a slight touch from a convex piece produces the required shape, that of the semi-tube. The slits and apertures to increase the elasticity, and the maker's or vender's name or mark, are produced by a similar tool. Previously, however, the pen undergoes a variety of other processes. When complete all but the slit, it is soft and pliable, and may be bent or twisted in the hands like a piece of thin lead. Being collected in "grosses," or "great grosses," the pens are thrown into little square boxes by men, and placed in a furnace, where they remain till box and pens are of a white heat. They are then taken out and thrown hissing hot into pails or tanks of oil, when they may be broken like so many wafers: after draining, they are then made to revolve rapidly in a perforated cylinder. — *London Builder*.

**LIFE INSURANCE IN ENGLAND.** — At the quarterly general court of the Equitable Assurance Office of London, held in May last, the account for the period ending the 31st of March last, as reported by the auditors, was presented. It appeared from this document that the number of new assurances effected was 35, for an amount of £ 31,200. The claims paid represented £ 86,800, and the bonuses ordered were to the extent of £ 109,910. The amount of stock sold was £ 210,000 Three per Cent. Reduced. It also appeared that the society had invested on mortgage £ 130,000, and for the redemption of policies and bonuses £ 16,514, leaving a cash balance at the bank of £ 39,479. The actuary

then made his annual report of the policies that had been admitted in the course of the past year to make up the constantly participating number of 5,000. The number admitted was 309, which included a policy dated in June, 1845, and he stated to the meeting that the amount of liabilities discharged in the course of the last year was upwards of £ 1,300,000, effected by an absorption of £ 422,000 of the capital. The entire remaining liabilities on the 31st of December last amounted to £ 12,730,000, to meet which the society then possessed a present capital of £ 8,330,000, in addition to an income from the premiums of assured members of £ 235,000 a year. In the course of the proceedings a member moved for a committee to investigate the affairs of the society, which, after some debate, was negatived by a large majority. — *London Times*.

GEORGIA. — Of the thirteen original States, Georgia and New York alone have regularly progressed in rank from the taking of the first census in 1790 to the completion of the census in 1850. Their relative ranks have been as follows: —

	1790.	1800.	1810.	1820.	1830.	1840.	1850.
New Hampshire, . . .	10	10	11	11	11	11	11
Massachusetts, . . .	4	5	5	5	5	5	4
Rhode Island, . . .	12	12	12	12	12	12	12
Connecticut, . . .	8	8	8	10	10	10	10
New York, . . .	5	3	2	1	1	1	1
New Jersey, . . .	9	9	10	9	9	9	9
Pennsylvania, . . .	2	2	3	3	2	2	2
Delaware, . . .	13	13	13	13	13	13	13
Maryland, . . .	6	7	7	7	8	8	8
Virginia, . . .	1	1	1	2	3	3	3
North Carolina, . . .	3	4	4	4	4	4	6
South Carolina, . . .	7	6	6	6	6	7	7
Georgia, . . .	11	11	9	8	7	6	5

By this table it will be perceived that New York, from being the fifth, in 1790, has been for a term of decades, the first; while Georgia has advanced from the eleventh, in 1790, to the fifth, in 1850. None other of the States have advanced and maintained their rank.

But the most remarkable point for observation and comment consists in its prodigious relative progress in comparison with the other States. New York — again in this instance — alone proves worthy of comparison, and even she lags behind.

The ratio of increase of these two States, according to the different censuses, gives, —

1790 to 1800, Georgia 96 per ct. — New York 72	1830 to 1840, Georgia 34 per ct. — New York 26
1800 to 1810, " 55 " " 63	1840 to 1850, " 33 " " 27
1810 to 1820, " 35 " " 43	
1820 to 1830, " 51 " " 39	Av. for each 10 years, 50
	45

The proportionate advance of all the States has been, from the census of 1790 to that of 1850, as follows: —

	Per cent.		Per cent.
New Hampshire, . . .	124	Pennsylvania, . . .	439
Massachusetts, . . .	163	Delaware, . . .	53
Rhode Island, . . .	113	Maryland, . . .	82
Connecticut, . . .	56	Virginia, . . .	87
New York, . . .	811	North Carolina, . . .	93
New Jersey, . . .	166	South Carolina, . . .	183
		Georgia, 1,014.	

If extent of territory, or more rapid advance of population, entitles a State to the name of *Empire*, certainly Georgia deserves it over that of New York.

NEW JERSEY BANKS. — There is a small locality in New Jersey, under the name of Tom's River, within about a day's journey from New York, which has been selected as the nominal place of issue of two Wall Street banks, in addition to one in the immediate neighborhood, — at the Bergen Iron Works. From this circumstance, the place derives some interest to us of New York, and it seems desirable to make known that the town or village contains four stores, one public house, and *two banks*, besides the one in the neighborhood. The landlord of the public house is the president of



one of the banks, — the Union Bank, Ocean County, — and the keeper of the dry-goods store, which, like all small country stores, is an *omnium gatherum*, having for sale almost every description of articles, is the president of the other, — the Delaware and Hudson Bank, Ocean County. This out-of-the-way place presents several difficulties in the way of the redemption of the bills.

The bills are mostly issued in Wall Street, and sold largely to brokers at a discount, to put them in circulation. Leaving the city at an early hour in the morning, and taking the train by the Amboy Railroad, the locality cannot be reached before six o'clock in the evening, — after banking hours. To present them for payment, it is necessary to remain a day there, as the train passes before banking business commences, and a third day must pass before New York can be again reached.

By the banking law of New Jersey, banks are entitled to three days' grace in redeeming their notes, after presentation; which enables the officers to send to New York for specie, if any large amount of bills is presented for payment. In this manner is working the trade in a depreciated currency, which is on the increase, and which it behooves the State of New Jersey to remedy.

The bank neighboring those at Tom's River is the Ocean Bank, at Bergen Iron Works. The bills issued are a *fac-simile* of the issues of the bank of the same name in this city, the names of the officers excepted. This bank has been generally supposed to be located at Bergen in that part of New Jersey neighboring New York, but this is not so.

The trade driven in these bills is all in small notes, and the only effectual remedy seems to be not to permit issues of bills under ten dollars, which our abundant supply of gold enables us to do with ease. A large profit is derived by a few owners or banks out of the New York public, for the circulation is confined to New York. The community wants no such circulation as this, and the sooner it gets rid of it the better. The issues are based on deposits of good stocks, so that, as long as the securities are of value, the bills will be of value, minus  $\frac{1}{2}$  per cent, which is the discount they bear in the market. — *New York Evening Post*.

**NEW YORK BANKS.** — The attempts which have been made by one or two persons in the city of New York to alarm capitalists on account of the banking feature of the Canal Bill, and thereby to create a prejudice against the contemplated law, has prompted me to examine the books in the State Banking Department, in order to obtain official information, — first, as to the bank charters which expire within the term prescribed for the completion of the canal enlargement; and secondly, the amount of stocks now deposited for bank circulation, and which must soon be substituted for other stocks.

The returns show that nearly the whole amount of certificates will be needed here to take the place of the circulation to be withdrawn by the EXPIRATION OF THE CHARTERS OF TWELVE BANKS in 1852-53, and by the substitution of \$1,958,889 of Government and State stocks, which fall due in 1851 and 1853. It is not to be presumed that the banking capital will be less than it is, or the banking circulation less than it is. Nor is it practicable to purchase United States and State stocks at present prices, to make the basis of a circulation to take the place of that so soon to go out of existence. The canal certificates, therefore, are sure to find a ready market, and are necessary to meet what will be an urgent demand upon the money market. — *New York Express*, June 17.

**LIVERPOOL.** — The most remarkable feature of Liverpool is the fact that there is not a single daily newspaper published in the city. With a population of 500,000, and a commerce so extensive as to reach every section of the world, this place cannot boast *one daily paper!* while San Francisco, a city of but two years' growth, issues seven. The *London Times*, of a late date, sneers at the sorry appearance of the penny dailies on exhibition at the "Glass Palace," but the writer forgets the vast power wielded by those little sheets in the United States, — a power which may some day be felt in England.

**PROPERTY IN WALL STREET.** — We notice in a late number of the *New York Journal of Commerce*, the announcement of a sale of the lot at the southwest corner of Wall and William Streets, 36 feet front by 46 deep, for \$110,000, and the adjoining estate, 24 feet front and the same depth, for \$100,000; also, a third estate, of 22 feet front, for \$70,000, and two lots adjacent, 44 feet by 81, for \$80,000. The entire plot

of ground included in this purchase, measures 80 feet on Wall Street, 91 on William Street, 81 in the rear from Wall Street, and 67 on the west; or 7,567 superficial feet. The aggregate amount paid for this land, which in some towns would only be considered a decent house-lot, is \$350,000, or \$46.27 per superficial foot. The buildings on the lots were immediately demolished, preparatory to the erection of a stone structure, to cost \$100,000, and cover the entire lot, making an aggregate for lot and building of \$450,000.

**DIAMONDS AT THE WORLD'S FAIR.**—The Queen's famous diamond, the "Mountain of Light," taken a few years since from Runjeet Singh, is exposed among the rarities of the Palace; and also one belonging to the East India Company. Together they are valued at £5,000,000, or more than twenty-five millions of dollars! They are, however, in separate cases. In this case of the Birmingham silversmith, there are twenty belonging to the crowned heads of different nations. The labels communicate the following information, which all may credit who please:—

Russia, 779 carats weight, valued at	£ 4,854,728	Russia, valued at	£ 36,999
Persia, 1,680 "	5,644,800	France, "	149,058
Ottoman Empire	156,800	Germany, "	155,682
Persia,	34,848	Holland, "	10,368
"	16,928	Russia, "	297,992
"	18,432	Portugal, "	369,800
"	145,800	France, "	155,000
"	7,200	England, "	8,000
"	16,200	One other, "	600
Great Mogul,	632,728		
Plojob,	30,000		
Add the estimated value of the Queen's and the East India Company's,			£ 12,731,963
			5,000,000
And we have an aggregate of			£ 17,731,963
or nearly ninety millions of dollars!			

There are numerous other diamonds shown, increasing the aggregate value to more than one hundred millions! How many opportunities will the world have to look upon such vast wealth as this? Here, in a space of twelve inches, are valuables sufficient to buy out half a dozen counties in the State of New York, and to build four such canals as the Erie will be when enlarged! And all this wealth, with hundreds and hundreds of thousands of articles which look to have greater intrinsic, and which have more real value, may all be looked at for a shilling!—*Correspondence of the Albany Journal.*

**LIFE INSURANCE IN NEW YORK.**—All companies or associations transacting the business of Life Insurance in this State are required, by the provisions contained in section 1 of chapter 95 of the laws of 1851, to deposit with the Comptroller, on or before the first day of August next, stocks or bonds and mortgages to the amount of \$50,000, and the like amount on or before the first day of February next. These stocks or bonds and mortgages are to be held by the Comptroller as security for policy-holders in said companies.

The fourth section of said act requires every company or corporation organized under the laws of sister States or foreign governments, transacting the business of life insurance in this State, to furnish to the Comptroller, within three months after the passage of the act, a full and complete statement of their affairs. The time specified in this section expired on the 8th of July instant.

The ninth section imposes a penalty of five hundred dollars for violation of the provisions of said act.

For the exact details of this law, our readers are referred to page 1,012 of our June number.

**THE BANKING HOUSES OF SAN FRANCISCO.**—Among the few who escaped with comparatively trifling loss from the fire of Saturday night were the principal bankers of the city. We have noticed the destruction of the building occupied by Burgoyne & Co., and their enterprise in recommencing business immediately in another quarter. Of the principal houses, those which entirely escaped were Argenti's and that of James King. Mr. William King's house, which is situated on the corner of Montgomery and Commercial Streets, is a two-story brick building, very unpretending in appearance,

but solid, well built, and with not a foot of superfluous woodwork about it. On one side, on Commercial Street, it had a frame building adjoining, and on the other a brick house which proved any thing but well built or fire-proof. Notwithstanding these disadvantages, the fire was beaten back by the energy and determination of the inmates, and the house saved, although in doing so, we regret to say, Mr. King suffered a severe scorching of his hands and face. It must have required the most consummate coolness to remain in the building while the conflagration was raging on three sides of the building and in its front, and to work collectedly under such awfully alarming circumstances. Mr. King's bank was open as usual on Monday morning, and has since been transacting business without any interruption.

Mr. Argenti's building was at one time in imminent danger, but by cool and persevering exertions it was saved. It is of admirable proportions, and its safety is a matter of much congratulation. Mr. Argenti himself, although a little singed, is uninjured. He also resumed business on Monday, as usual.

Page, Bacon, & Co., although driven from the building they occupied, with characteristic self-possession secured all their books, papers, and treasure. The brick building in which they had their banking establishment was deemed fire-proof, but being for a length of time exposed to the full fury of the conflagration, and directly before the wind, it at length yielded and was totally consumed, with the exception of the walls, which still remain. Messrs. Page, Bacon, & Co., as will be seen by their card in another column, have resumed business promptly, and are about to rebuild immediately. Their office is in Naglee's Building, corner of Montgomery and Merchant Streets.

Mr. Wells stood by his building gallantly till the last, and his life almost paid the forfeit of his perseverance. His building, which was considered one of the most secure in the city, caught fire in the cellar through a window in the rear, which was, by an unfortunate accident, insecure; and, notwithstanding the most untiring exertions, Mr. Wells was compelled at length to seek safety in flight. But the danger was almost as imminent without as within. Montgomery Street was then one sheet of flame, and at the door on that side they were driven back by a hot blast, which would have at once consumed them if they had ventured into it. They next tried the side door, but found that it was blocked upon the outside by goods piled against it. These were with great difficulty removed, and the apparently doomed men issued into the blazing streets, the flames scorching and blinding them at every step. They rushed madly onward, but found they were going more and more into the heart of the fire; at length, summoning all their energy for one last effort for life, they partially retraced their steps in the midst of the blinding storm of fire, and were rescued from a dreadful death. Mr. Wells was carried to a place of safety, and his injuries promptly attended to. Although for some time in a very critical condition, we are happy to be able to state he is now entirely out of danger.

Mr. Davidson's house was totally consumed. He saved nothing but his books and treasure, which were in a vault under ground. Mr. Davidson is already engaged in rebuilding. — *San Francisco Herald*, May 14.

*Burgoyne & Co.'s.* — This sterling banking-house, nothing daunted by the burning of their former establishment, immediately engaged the Sociedad building for the transaction of business. On opening their fire-proof vault, they found all their books, papers, and gold to the amount of \$1,500,000, unscathed, — not even scorched. Their banking-house was fully insured in New Orleans. With commendable zeal, they at once went to work while the fire was still burning on their premises, and bought the adjoining lot on Washington Street, and contracted for the erection of the largest banking-house ever built in San Francisco, in such a style that hereafter it will be impossible for fire to hurt them. Such was the confidence of the community in the security of their vault, that on Monday upwards of \$75,000 were placed there on deposit by various citizens. It is their intention to build three vaults in their new banking-house, upon which will be exhausted all the resources of art to make them utterly impervious to fire. We have heard of several instances of their liberality, in which they have placed funds at the disposal of those who have been unfortunate in the recent conflagration. Such acts justify the confidence the community feel in this house. Their banking-house was open yesterday, paying off checks and receiving deposits. — *Id.*, May 13.

REVENUE AND EXPENDITURES OF NEW HAMPSHIRE FOR THE FINANCIAL  
YEAR 1850 - 51.

*Summary Statement of Receipts.*

Balance on hand, as per last settlement, . . . . .	\$ 5,044.92
Money borrowed, . . . . .	39,400.00
Railroad tax for 1850, . . . . .	52,544.08
State tax outstanding (received), 1848, . . . . .	67.40
State tax outstanding (received), 1849, . . . . .	567.46
State tax for 1850, . . . . .	59,704.13
Civil commissions, . . . . .	236.19
Money borrowed to defray expense of Constitutional Convention, . . . . .	40,000.00
Cash received for old arsenal sold, . . . . .	10.00
Legacy of Jacob Kimball, in trust, . . . . .	3,430.00
	<hr/>
	\$ 201,004.18
Balance due the Treasurer, . . . . .	341.13
	<hr/>
	\$ 201,345.31

*Expenditures.*

Salaries, . . . . .	\$ 19,514.05
New Hampshire Reports and Gilchrist's Digest, . . . . .	3,902.12
Railroad tax dividends, . . . . .	30,507.28
Deaf, dumb, and blind, . . . . .	2,800.00
Insane, . . . . .	1,199.90
Legislature, . . . . .	27,760.90
State Prison, . . . . .	2,000.00
State Printers, . . . . .	3,091.09
Constitutional Convention, . . . . .	39,917.18
Publishing laws, . . . . .	974.00
Militia, . . . . .	25,194.21
Bounty on crows, bears, wild-cats, &c., . . . . .	3,604.50
For money borrowed, . . . . .	35,423.90
Incidental account, . . . . .	5,456.18
	<hr/>
	\$ 201,345.31

Respectfully submitted,

EDSON HILL, *Treasurer.*

IMPORTANT LAWS ADOPTED IN NEW YORK, JUNE SESSION, 1851. — Governor Hunt transmitted to the Senate, at the close of its session, his approval of, —

- I. The bill to divide the State into Congressional Districts;
- II. The Canal Enlargement bill;
- III. The bill providing for widening the locks of the Oswego Canal; and
- IV. The general appropriation bill.

Thus all the leading measures of the session have become laws.

TEXAS PUBLIC DEBT. — The Texas bondholders are summoned, by circular of the committee, to a meeting of the creditors on the 15th of September next. The President has promised them an answer by that time to the question, "What class of creditors were entitled to the benefit and protection of the proviso in the Boundary Act, reserving \$ 5,000,000 in the Treasury of the United States out of the Texan indemnity, and what releases they would be required to sign, to obtain the payment of their respective obligations." The Secretary of the Treasury has distinctly informed the committee, that not one dollar of the reserved five millions can or will be disbursed, except under the specific order of the constituted authorities of Texas.

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## EDITORIAL CORRESPONDENCE.

. . . . . *Bank, Massachusetts, July, 1851.*

I remember that, when I once had the pleasure of a personal interview with you, you made the remark, that "there was very little literary taste among bankers, and they seldom put their pens to paper except to write a bank letter." I have thought over this subject a good deal, and the idea has suggested itself to me of offering a prize of \$ 100 for the best article on some subject connected with banking. I will give \$ 10 towards making up such a prize, and I should think that there could be found cashiers in Boston enough who would subscribe to fill up the amount. The subject which I should like to see treated is this, — "Hints to Young Cashiers." Others might wish something different. All subscribing could be consulted, and the subject fixed upon which seemed to the majority the best. Please take the matter into consideration, and let me hear from you about it. I am anxious that bankers should wake up. I want to see them use the talents which they have in the right manner. Our business is not so dry that no juice can be expressed from it. It is not so dry that it must necessarily shrivel all engaged in it. I, for one, am not willing to admit that the words *cashier* and *machine* are synonymous. Not I!

With ardent aspirations for something higher and better, I remain, yours truly,  
 . . . . . *Cashier.*

NOTE BY THE EDITOR. — We will contribute one half the proposed fund (one hundred dollars) for the prize essay, provided other parties will make up the balance of the sum. The money will be well spent if it elicit contributions from those who are prepared to throw much light upon the subject of banking.

. . . . . *Branch Bank, Ohio, June, 1851.*

I have been looking for some article in the *Bankers' Magazine* on the subject of the appreciation of our silver coinage in comparison with gold, the consequent withdrawal of it from circulation, and the embarrassment caused thereby in the every-day transactions of business amongst the people. The difficulties for want of small change have been severely felt in the cities, and they are beginning to affect the country.

This evil must continue to increase as the silver coins become drained from the country to the marts of commerce, whence they will not return while they command a premium over gold and bank-notes.

As before observed, I have been looking for some of your correspondents, well versed in financial affairs, or for the editor himself, to propose some remedy for this increasing cause of annoyance to the trading community. The people will call for one ere long with a voice that must be heeded, and it would be well that the discussion of the subject should commence, in order that, when a remedy is adopted, it should be the best one.

I am well aware that there are difficulties in the way of devising any plan, with a hope of avoiding entirely the evils of a currency composed of metals constantly varying in their market value, which variation is likely to continue for an indefinite period, on account of the continuing influx of gold from California, and the uncertainty of its duration. If Congress were to adjust the standard of the coinage this year so as to make it conform to the market value of gold and silver, the same disturbing causes still prevailing, in order to answer the end proposed, other adjustments would have to be made at short intervals of time, and the currency would thus in a few years be composed of coins of which the same denomination would be of many various values intrinsically, whereby confusion and perplexity would ensue.

A resort to shinplasters from five cents upwards has been talked of, but I hope the country will not be again driven into a toleration of so disgraceful, and in many instances infamous, a measure.

A plan has struck me, which would at least tend to mitigate the difficulty, if not to cure it. The substance of which is, that the government authorize the coinage of quarter-dimes and half-dimes of the fineness of 800 thousandths, which would make their value about ten per cent. less than that of the present silver coinage of the United

**States.** This coin should be made a legal tender to the amount of 100 pieces of each denomination, and *no more*. Such a measure would insure the circulation of quarter-dimes and half-dimes, which would answer all the purposes of change, and continue for several years to come, perhaps until the relative value of gold and silver in the market should have become settled, when a general revision of the standard of the larger coins might be made. Limiting the amount of these coins to be made a legal tender would leave the old coinage still the standard of value for all except small payments.

I have thrown out these crude hints, hoping that the subject will receive the attention of the financiers of the country. For I am convinced that some measure will shortly be required to meet the difficulties that must ensue on account of the state of the currency.

**NOTE BY THE EDITOR.**—Gold will not depreciate much, as compared with silver, as long as the former shall be maintained as a legal tender in the United States and Great Britain. But for the sake of small change, we think ten and five cent pieces could be coined, to the advantage of the people and the government, with an alloy of ten or fifteen per cent.

## BANK ITEMS.

**MAINE.**—The following banks have recently increased their capital:—Sagadahock Bank, Bath, \$50,000, Commercial Bank, Bath, \$25,000, April, 1851; Lincoln Bank, Bath, \$75,000, March, 1851; Manufacturers and Traders' Bank, Portland, \$25,000.

**Bangor.**—The Bank of the State of Maine has commenced operations at Bangor, President, Leonard March, Esq.; Cashier, William S. Dennett. Capital, \$250,000.

**NEW HAMPSHIRE.**—The following new banks have been incorporated by the late legislature; and they will all commence operations, probably, during the next six months.

Name.	Location.	Capital.
Indian Head Bank,	Nashville, . . . . .	\$100,000
Granite State Bank,	Exeter, . . . . .	125,000
Cocheco Bank,	Dover, . . . . .	100,000
Newmarket Bank,	Newmarket, . . . . .	100,000
Francetown Bank,	Francetown, . . . . .	60,000
Salmon Falls Bank,	Rollinsford, . . . . .	50,000
Grafton County Bank,	Haverhill, . . . . .	50,000
Carroll County Bank,	Sandwich, . . . . .	50,000

**VERMONT.**—The Union Bank, at Swanton Falls, Vermont, has commenced operations with a capital of \$75,000. Joseph Blake, Esq., President; E. A. Kendrick, Esq., Cashier.

**Derby Line.**—The People's Bank has been organized at Derby Line, Vermont, with a capital of \$50,000. Harry Baxter, President; N. T. Sheafe, Cashier.

**MASSACHUSETTS.**—**Faneuil Hall Bank.**—The Faneuil Hall Bank has been organized by the appointment of James W. Baldwin (of the firm of Baldwin and Stone) as President; and Jonas Bennett, Esq. (discount clerk of the Massachusetts Bank) as Cashier. The capital of the bank, \$500,000, was fully subscribed within a few days after the books were opened, and \$80,000 more than was required. The bank will commence operations in October next.

**Blackstone Bank.**—The directors of the Blackstone Bank have elected Frederick L. Gould, Esq. (of the firm of Gould and Pratt), President, and Joshua Loring, Esq. (of the Tremont Bank), Cashier. The bank will soon commence operations at the corner of Hanover and Blackstone Streets.

**Eagle Bank.**—Robert S. Covill, Esq., has been elected Cashier of the Eagle Bank, Boston, in place of Mr. Flint, who, after a long service as Cashier, has now become President of that institution.

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**RHODE ISLAND.**—The Bank of Commerce in Providence commenced business on the 8th of July, when the first instalment of twenty per cent. had been paid in.

**Providence.**—The Bank of America, in Providence, commenced business in July. Capital, \$ 50,000. Adnah Sackett, Esq., President; L. B. Frieze, Esq., Cashier.

**CONNECTICUT.**—The branch of the Connecticut Bank, at Southport, has been converted into an independent institution, under the name of the Southport Bank, with a capital of \$ 100,000. The law provides as follows:—

"Section 6. All the bills, notes, demands, and liabilities whatsoever of the Connecticut Bank, issued and incurred on its own account, owing and outstanding on the first Monday of July next, shall be paid and discharged by the said Connecticut Bank. And all bills, notes, demands, and liabilities whatsoever, issued and incurred by said branch on its own account, owing and outstanding on the first Monday of July next, shall be paid and discharged by the said Southport Bank, and in case either of said banks shall be compelled to pay or discharge any of the aforesaid bills, notes, demands, or liabilities belonging under this act to the other to pay, said banks shall respectively account with the other for the same.

"Section 7. This act shall take effect on the first Monday of July next, and each and every part thereof may at any time be altered, amended, or repealed by the General Assembly."

**NEW YORK.**—The following new banks have been organized, and have received their circulating notes from the Bank Department, at Albany:—1. The Western Bank, Lockport. 2. The Dunkirk Bank, Dunkirk. 3. The Farmers' Bank of Saratoga County. 4. The Lumberman's Bank, Wilmurt. 5. The Genesee Valley Bank, Genesee.

The following are in process of organization:—1. The Treasury Bank, Scottsburg, Livingston County. 2. The Bank of Carthage. 3. The Valley Bank, at Lowville, Lewis County.

**Rome.**—A new bank, entitled the Rome Exchange Bank, was organized in that town in June last. The board of directors elected the following officers:—Robert B. Doxtater, President; Roland S. Doty, Vice-President; Francis H. Thomas, of Bank of Utica, Cashier.

**NEW JERSEY.**—The new bank, called The Hudson River Bank, long ago projected at Jersey City, has been organized, with John Cassidy, Esq., as President.

**VIRGINIA.**—At a general meeting of the stockholders of the Exchange Bank of Virginia, held in July at the banking-house in Norfolk, a memorial to the next legislature was presented, setting forth the existing state of affairs at the Norfolk (or parent) Bank, and asking the legislature to restrict the executive in the appointment of directors, &c. The State director present objected to the memorial, on the ground of its personalities and indefiniteness, and moved that the bank and State directors be invited to resign, with a view of having an entirely new directory. This was objected to, and the memorial was then adopted.

**CHARLESTON, S. C.**—The State Bank of South Carolina has declared a dividend of four per cent.; the Bank of South Carolina, \$ 1.50 per share; the Bank of Camden, (S. C.) \$ 1.75 per share; the Bank of Charleston, five per cent.; the Union Bank of South Carolina, \$ 1.50 per share; the Commercial Bank of Columbia (S. C.), \$ 1.25 per share. In reference to the dividends by the banks of Charleston, the *Courier* says:—

"It gives us much gratification to be enabled to state the pleasing fact, that several of the city banks have given unmistakable indications of the flourishing condition of business in Charleston, by their having announced dividends to be paid on and after the first proximo, of a larger amount than have been paid for the preceding six months. The South Carolina Bank has increased from \$ 1.35 to \$ 1.50; Union Bank, from \$ 1.25 to \$ 1.50; Planters and Mechanics', from 87½ to \$ 1; and the Southwestern Railroad Bank and the Southwestern Railroad, which heretofore paid \$ 2, have advanced to \$ 4.25.

**OHIO.**—William McMeen, Esq., has been appointed Cashier of the Springfield Bank, at Springfield, Ohio.

**Circleville.**—A new bank has been recently organized at Circleville, Pickaway County, under the general banking law of Ohio, entitled the Pickaway County Bank, of which Marcus Brown, Esq., has been elected President, and O. Ballard, jr., Esq., the Cashier.

**Massillon.**—The Merchants' Bank at Massillon, Ohio, has been organized under the Free Bank Law of 1851. President, I. Steese, Esq.; Cashier, S. Hunt, Esq., lately of the Bank of Massillon. The buying and selling of exchange, and the collection of paper, will form a prominent part of the business of the new bank.

**MICHIGAN.**—The Farmers and Mechanics' Bank, of Detroit, have deposited \$70,000 State bonds with the Treasurer of Michigan, as collateral security for that amount of circulation.

**MISSOURI.**—The legislature passed a special act, during the last session, authorizing certain commissioners named in the act, viz. Robert Campbell, Luther M. Kennett, Jos. B. Wells, and the Attorney-General of the State, to settle with the Bank of Missouri her claim against the State, that has been running as an account current for a number of years. The bank, on application, signified her willingness to abide by the award of commission. That award has been made, and the sum of \$97,000, more or less, decreed to the bank. The amount in issue was about \$110,000, and the main question, we learn, was a charge of interest on the part of the bank, while she was the depositary of the State funds. The State being a holder to the amount of five sixths of the stock of the bank, the question at issue was, in fact, between the State and the private stockholders only, and, by this award, the latter are gainers about \$2,000.

#### BANK DIVIDENDS, JULY, 1851.

**New York.**—North River Bank, 5 per cent.; Phenix Bank, 4; Merchants' Exchange Bank, 5.

**Philadelphia.**—Bank of Pennsylvania, 4 per cent.; Bank of North America, 5 per cent.

**Baltimore.**—Franklin Bank, 3 per cent.; Union Bank, 3½; Farmers and Planters' Bank, 4½; Chesapeake, 4; Merchants' Bank, 3½.

**Virginia.**—Bank of Virginia, 4 per cent.; Farmers' Bank of Virginia, 4 per cent., after paying the State tax, ¼ per cent.

**Kentucky.**—Bank of Kentucky, 4½ per cent.; Bank of Louisville, 4½ per cent.; Northern Bank, 5 per cent.

**Alabama.**—Southern Bank of Alabama, Mobile, 3 per cent.; Bank of Mobile, 3½.

#### Notes on the Money Market.

BOSTON, 26TH JULY, 1851.

Exchange on London, 60 days, 110½ to 110¾.

THE money market does not present such favorable features as at our last report, during the last week in June. The continued drain of specie to Europe has been the leading cause of a slight stringency now existing in Wall Street and State Street. Some little uneasiness is felt among capitalists that our banking system is becoming more widely extended than the basis of such extension will justify. While we find that the number of banks and the nominal amount of capital, as well as circulation, are spreading rapidly, we do not learn that the specie in the vaults of the banks is commensurate with these enlarged liabilities.

Eight new banks have been incorporated in New Hampshire during the current year; four or five in Maine; and a large number in Rhode Island, Connecticut, New Jersey, Ohio, New York, and other States. At the same moment, there is a rapid increase of State indebtedness, and in the amount and variety of new loans negotiated or before the community, on the part of railroad companies, insurance companies, and cities.

THE UNIVERSITY OF CHICAGO LIBRARY



The payments into the custom-houses at New York and Boston, for duties, are yet heavy. Our importers are now paying for the large receipts of foreign goods of December and January last. If the present system be pursued, the United States will have more means than they want for the discharge of the public debt. But this will be at the expense of the people. The receipt of fifty millions a year for duties, is, *prima facie*, an indication of vast business and of increasing prosperity. But it indicates more. This sum in duties involves an outlay of 250 millions for the goods. Therefore, for every million paid into the custom-house, as duties, we send five millions abroad for the goods alone.

The evil does not end here. We not only contribute thus to the pauper labor of Europe, but we sacrifice the industry of our own people, and also their capital, machinery, and mills.

Another cause of the stringency in money matters is this. Many of our citizens are leaving town for the country and for remote places, and must make arrangements for their payments during their absence. New York is a creditor of Boston, Philadelphia, and Baltimore, and is drawing upon each of these cities for coin. If the banks, in consequence, contract their loans generally to the amount of five per cent., this alone will cause a demand upon street capital, in Boston, for at least one and a half millions beyond the ordinary demand.

Hence we see the extreme sensitiveness of the money market, and that small causes bring about serious results. The banks are losing portions of their coin, and feel compelled to be more cautious in their discounts.

The custom-house receipts, for the past fiscal year, are estimated at about fifty millions of dollars. Of these it is ascertained that the following have been received:—

At New York, . . . . .	\$ 31,766,000	At St. Louis, . . . . .	\$ 213,000
At Boston, . . . . .	6,677,000	At Cincinnati, . . . . .	106,000
At Philadelphia, . . . . .	3,667,000	At New Haven, . . . . .	102,000
At New Orleans, . . . . .	2,398,000	At Mobile, . . . . .	76,000
At Baltimore, . . . . .	1,047,000	At Louisville, . . . . .	66,000
At Charleston, . . . . .	600,000	At Oswego, . . . . .	91,000
At Portland, . . . . .	209,000	At Richmond, . . . . .	70,000
At Savannah, . . . . .	208,000		

The receipts at other ports will probably swell the aggregate to fifty millions of dollars for the year ending 30th June, 1861.

To show the vast import trade of the country, it is only necessary to state that the imports at New York alone for six months ending the 30th of June, 1861, were \$69,237,000, while for the same period in 1850 they were \$66,568,000; in 1849, \$45,491,000; and in 1848, \$46,194,000. The last steamer at New York from Havre brought the largest and most valuable freight that has ever arrived from France by that line. It consisted of nearly 700 tons of Continental merchandise, including silks, lace, shawls, with expensive and valuable consignments of jewelry and articles of fashion and dress.

Since the early part of the month of July, there have been some changes and developments which, as accurate journalists, we are bound to note.

And first, we are learning that, whatever result may be produced by the great influx of gold from California, the change will neither be sudden, nor to the business community severe. In each of the commercial nations the amount of gold is unprecedented. The Bank of France alone has in coin 562 million francs, or . . . . . \$ 120,000,000  
The Bank of England £ 16,000,000, or . . . . . 80,000,000  
And in the banks and Sub-Treasury of the United States about . . . . . 100,000,000

Making in the aggregate sum, . . . . . \$ 300,000,000

This enormous amount of coin has been rapidly accumulating for the last two years; and, though business has had a new impulse given to every department, there has not been, we believe, any real advance in market values, except in the item of real property. So that we think we are warranted in assuming, that, whatever change takes place in the relative value of coin and commodities, that change will be so gradual as not to be disastrous. So, too, should the accumulation of coin prove so great as to produce a change in the standard of value, we need not apprehend sudden or calamitous results.

Under the authority of the late act of the legislature, the Comptroller of New York has given notice that bids will be received until August 19th, for Canal Revenue Certificates to the amount of one million of dollars. These to be issued in sums not less than one hundred dollars, and to be redeemable in July, 1861.

## DEATH.

On the 16th June, 1861, aged 88 years, Hon. Nathan Willis, former President of the Agricultural Bank, Pittsfield, and for thirty years a director in that institution.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

VOL. I. NEW SERIES. SEPTEMBER, 1851. No. III.

CURRENCY AND CALIFORNIA GOLD.

From the London Bankers' Magazine.

"There is enough to warrant a strong impression, that, previously to the discovery of California gold, the annual supply of bullion was at least equal to the demand. Adopting this view, it is impossible to doubt that even if the production should continue only on its present scale, a perceptible effect upon the relations between money and other property may henceforth be expected year by year." — *Vide Bankers' Magazine of January, 1851.*

HANNAH MORE says that there are two things which every one ought to understand and attend to; namely, religion and his business. Let us extend this excellent and suggestive observation to "every man should study *three* things, — religion, his own business, and the laws affecting the national currency," for the latter may ruin his best endeavors.

Such investigations as the eight mentioned in our article of June, rest under manifold and heavy disadvantages. Men of business, who are the first to suffer or profit from variations in the currency, are rarely literary characters, indeed, have rarely leisure for continued literary study; therefore, as disuse weakens the reasoning powers quite as much as it impairs physical strength, their published lucubrations are often so illogically, clumsily, and inaccurately constructed, are so destitute of the beauty of system, and the attractive graces of style, that readers feel disgusted and prejudiced. Where no immediate reward is held out for study, as in painting, music, and general literature, the subject may

VOL. I.

15

THE UNIVERSITY OF CHICAGO LIBRARY

be termed essentially unpopular, and consequently there will be few candidates in the field ; but the thoughts of these few are entitled to the gravest consideration, as they are the spontaneous overflow of intense conviction, and honest conviction always carries weight, even with enemies.

In Parliament very few men can follow the facts, still less the reasoning, of a speaker on currency topics. Happily-turned periods, fanciful similes, pompous and inappropriate statistics go further than a grave, earnest invitation to study half a score dry volumes. How often, alas ! they have concealed the virus, and glossed over the defects of measures fraught with future misery to millions. It rarely happens that the victims of an erroneous system are conscious of the real cause of their misfortune ; for when millions, under free laws, awaken to a clear, discriminating consciousness, they generally annihilate the cause. Masses of human machines, smarting under reduced wages, pining in undeserved poverty, rusting in forced idleness, blame, in their frenzy, Corn Laws, Malt Tax, Civil Lists, Monarchy, Religious Establishments, Machinery, Education, and fifty other things, with little more reason than the recipient of bad tidings displays, who tears the unlucky letter in his rage. Trade and agriculture, if subjected to the fluctuations of a radically bad currency system, cannot long simultaneously prosper. When the industrious man, who twenty years ago bought the house over his head, borrowing, perhaps, half the purchase money on mortgage, is compelled by some circumstance or other to sell it again, he very probably discovers, to his sorrow, that although the *mortgage* remains the same, the value of the pledge has sadly fallen ; nay, too often, the mortgage claim is unsatisfied after sale, even should the house have been kept in thorough repair. He forgets the Bank Restriction Act of 1797, and the return to cash payments, in 1819 ; so wonders how it is brought to pass. Let us next view the united effect of a debased currency, together with an increased influx of precious metals. The dean of a cathedral now receives, perhaps, forty times as much salary as a chorister ; yet the original testator, probably, intended him to receive only in the proportion of six to one. For example, the estates originally yielded, say, £ 300 a year (each pound containing, be it remembered, as much gold as three of our present sovereigns), out of which the dean was to pay four choristers each £ 30 a year, reserving to himself £ 180. Centuries elapse, old gold and silver are debased with alloy, as well as greatly enhanced in nominal value, and new gold pours in from South America, *viâ* Spain : thus the *estate rises to £ 1,500 a year* ; yet the poor choristers receive (what is "named in the bond") only £ 30 each, while the dean pockets the difference, viz., £ 1,380. In other words, his proportion, originally 6 to 1, becomes 46 to 1 ! Thus the carefully-adjusted balance is destroyed ; poverty crippling one, and luxury tempting the other. In Scotland and France (*vide* "Smith's Wealth of Nations") some ancient rents, originally of considerable value, have thus been reduced almost to nothing. We shall, hereafter, allude more particularly to the various enhancements of gold and silver ; suffice it to observe here, that Edward the Third coined the pound-weight of gold

into £ 13, while Henry the Eighth coined it into £ 36. McCulloch calculates that the heirs of an individual who had bought in 1490 a perpetual annuity of £ 100 a year, were not receiving, in 1650, more than £ 25 of money of the same *value* as the parties contemplated when the contract was made. In addition to our vastly increased mineral, manufacturing, and agricultural wealth, which always allures the precious metals to a country, the discovery of America soon produced important results; what, then, will flow from recent Californian discoveries? Legislation can neither create nor prevent maritime discovery; it cannot shroud Nature's treasures in "ever-during dark," but it can prevent the sacrifice of one class for the benefit of another,—the diversion of trusts, and annihilation of old, approved balances. There ought to be no *class* legislation.

Doubleday, in his recent work entitled "A Financial History of Great Britain," has unaccountably forgotten the fact, that the shilling of 1601 was but one third as heavy (in silver) as that of 1339: consequently thrice as many of the lighter shillings were required to purchase a quarter of wheat. The same combined causes raised all other commodities in value, as the following table, said to be extracted from Drake's "Eboracum," will show. We conceive there are few individuals who will not feel some desire, after having glanced over these statistics, to know what will result from the discoveries in California, which certainly seem to promise, if accounts be veracious, a more abundant supply of gold than the world has yet known.

TABLE OF PRICES.	Prices proclaimed at York in 1383.	Prices proclaimed at York in 1733.
Strong beer, per gallon, . . . . .	£ 0 0 1½	£ 0 2 0
A milder sort, . . . . .	0 0 1	9 1 0
Finest claret, . . . . .	0 0 8	0 17 0
All common white wines, . . . . .	0 0 6	0 7 4 average.
Carcass of finest beef, . . . . .	1 0 8	9 10 0
Next best ditto, . . . . .	0 14 0	8 0 0
Scotch Kyle carcass, . . . . .	0 12 0	4 4 0
Carcass of mutton, best, . . . . .	0 1 8	1 10 0
Ditto, worse fed, . . . . .	0 1 6	1 0 0
Carcass of fine Veal, . . . . .	0 2 6	1 6 0
Inferior ditto, . . . . .	0 1 6	0 15 0
A lamb, . . . . .	0 0 8	0 12 0
A fat goose, . . . . .	0 0 4	0 2 0
A dozen of pigeons, . . . . .	0 0 3	0 1 3

Until the reign of Edward the Third, England had very little gold coin, and no copper coin until the reign of James the First. The conquest of Peru, completed in 1525, caused a vast increase in the stock of bullion possessed by Spain, which raised prices so highly in that country, that other nations found it advantageous to trade with it,\* and thus obtain a share of its newly-found wealth. No civilized nation can long keep its riches to itself, and prices in our own country soon felt the influence, although no one could account for it. Let us see how the staple commodity, wheat, was influenced. In the following comparison,

\* Our trade with North America at the present time is very great.

both lists being brought into *modern* money, the difference is chiefly caused by larger supplies of bullion.

		£ s. d.	
From 1339 to 1416 wheat averaged		1 5 9	<i>modern money.</i>
" 1423 to 1451 "	"	1 1 3	" "
" 1453 to 1487 "	"	0 14 1	" "
" 1499 to 1560 "	"	0 10 0	" "
" 1561 to 1562 "	"	0 8 0	" "
" 1574 to 1601 "	"	2 15 4	" "
" 1596 to 1630 "	"	2 1 6	" "
" 1621 to 1636 "	"	2 10 0	" "
" 1637 to 1700 "	"	2 11 0	" "

According to the rule mentioned before, we must multiply the prices of 1393 by 3, to bring them into modern money, and it will be advisable to show to those who have hitherto never given such subjects a thought, the unprincipled, ignorant, and reckless expedients resorted to from time to time by the government of this kingdom to create a seeming prosperity, to hide extravagance, or pay their debts with less than they borrowed. The great engine has ever been a debased or depreciated currency, and it is a fact that at the present time the English pound and penny contain only  $\frac{1}{3}$ , the Scotch  $\frac{1}{6}$ , and the French  $\frac{1}{8}$  of their original value. An arbitrary sovereign, holding in his coffers £ 500,000 in gold and silver, was perhaps desirous of entering into a war which he foresaw would cost him twice that sum; so in the first place he probably plundered the Jews, then attainted and confiscated a few wealthy nobles, and thirdly melted down his stock of coin and bullion, re-issuing lighter and debased pieces nominally the same, and by virtue of his royal prerogative compelling all persons to take them for the value of the former heavier and purer coins. Debtors, as a class, thus profited at the expense of creditors, as they paid all *existing* bargains with less weight of precious metal.

Before we consider the currency legislation of the last sixty years, it will be necessary, in order to fully understand the genius of such legislation, to glance rapidly over the monetary regulations of the last seven centuries.

The first English coin seems to have been coined by Ethelbert, king of Kent, the first Christian king in this island (see Camden), in whose time money accounts began to assume the names of pounds, shillings, pence, and mancuses; *pence* were, however, the only real money, the rest being merely terms, as our present integer of gold, *i. e.*, the sovereign, was, when guineas were current. These pence were about three-pence of our present money, and five of them made a shilling, forty of which shillings were equal to a pound. William the Conqueror divided the pound *weight* of silver into twenty shillings. William Rufus, in order to raise money, enlisted 20,000 soldiers, and then discharged all who paid a fine of ten shillings. Henry the First taxed the people heavily, made a new coinage, and left behind him 100,000 pounds weight of silver. Henry the Second left at his death 900,000 pounds weight of silver. In Henry the Third's reign, the Pope collected his tenths in money, which became so scarce that the people, in 1229, borrowed of

usurers at sixty per cent. A small quantity of gold was now coined. Edward the Third introduced a gold coinage, one pound of which was at first ordered to be equal to fifteen pounds of silver, but afterwards coined into £ 13 3s. 4d., the pound of silver being coined into £ 1 2s. 6d. A noble, heavier and purer than our sovereign, then passed for 6s. 8d. Seven years afterwards the pound weight of gold was coined into £ 15, and pound weight of silver into £ 1 5s., — so great an enhancement of gold (about 20 per cent.) being a mine of wealth to the king. In Henry the Fourth's reign the pound weight of gold made £ 16 13s. 4d., and the pound of silver £ 1 10s. Temporary prosperity was produced until prices found their level. In Henry the Sixth's reign there was a great scarcity of gold, and alchemy was much studied. Edward the Fourth enhanced gold and silver 25 per cent., by coining the pound of gold into £ 20 16s. 8d., and pound of silver into £ 1 17s. 6d. The next year saw the pound of gold coined into £ 22 10s., when the noble, then weighing the same as our present guinea, passed for 10s. The crown now gained a profit of £ 1 0s. 10d. out of every pound of gold, and 4s. 6d. out of every pound of silver, brought in by the people to be re-coined; just as fraudulent tradesmen gain by selling short weight. Henry the Seventh wisely made no alteration. Henry the Eighth began with enhancing another 20 per cent., the pound of gold being made into £ 27, and that of silver into £ 2 5s.; and continued to debase the coin (in order to cover his own extravagance) until he actually coined a pound of a base metallic compound, one third silver, two thirds alloy, into £ 2 5s.; and the pound of gold, one sixth alloy, into £ 30. In Edward the Sixth's reign the purity of the silver coinage was increased to half alloy, half silver, but a pound of this mixture made £ 3 12s., so that each shilling contained no more silver than in the last coinage; indeed, it now contained but one half of the silver contained, previous to Henry the Fourth's reign, in a groat. The pound of gold now made £ 36. In his fifth year he coined 20,000 pounds weight of a wretched compound (one quarter silver), at the rate of £ 3 12s. per pound, thus nominally multiplying William the Conqueror's pound of silver into fourteen times its pristine value! Who can be surprised to hear that it became necessary to threaten the pillory to those who should dare to raise their voices against this trickery? In 1551 a purer coinage of silver was issued, eleven ounces fine, one ounce alloy, making £ 3; but it was eagerly bought up and hoarded, so that interest rose to fourteen per cent. (the effect of our modern bank contracting *her* issues). Elizabeth seemed to think that any thing looking like money was good enough for Ireland, so she debased the coin in that ill-used country so much, that the pound of silver (here worth £ 3 5s.) sufficed there for £ 8! In England, she more prudently reversed that policy, the shilling or *teston* being reduced to 4½d.; some very base shillings were declared to be worth only 2½d. In 1563 the new coin was hoarded, thereby causing scarcity of money, scarcity of food, and pestilence. James the First enhanced again, coining the pound of *crown* gold into £ 37 4s., instead of £ 33 10s. Sovereigns were called units, and in Ireland the

15\*

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following *slight* change took place : — the standard was ordered to be 9 oz. silver and 3 oz. alloy, instead of 3 oz. silver and 9 oz. alloy. Charles the First began with enhancing gold to £ 44 to the pound weight, but afterwards returned to James the First's system. Cromwell appears to have made no alteration; he seized, however, three Hamburg ships, with 300,000 lbs. of silver. Charles the Second made old and new units pass respectively for £ 1 3s. 6d. and £ 1 1s. 4d. : he afterwards coined guineas. James the Second raised the current value of the guinea in Ireland to 24s., and other coins in proportion, but this was in the year after his abdication. He actually, at length, manufactured four-penny-worth of fine silver into £ 10! and paid his soldiers with this villanous stuff, which William the Third cried down. In the reign of William extraordinary fluctuations took place; the French government having enhanced silver 10 per cent., the Jews brought gold from France, changed it into silver, and exported the proceeds, leaving the remaining silver coin so light, that it was jocularly said, "the half-crown was 7s. 6d. too light," because three others were required to make up the original weight. At length there was a complete glut of gold, so that guineas brought only 22s. In Anne's days, government refused to take light guineas, so holders were compelled to take them to be re-coined; the effect of this was to enhance all existing debts, mortgages, &c. Until 1759, the Bank of England issued no notes for less than £ 20. In 1775 an act was passed to prevent country bankers, who had been in the habit of issuing notes of as low an amount as a few shillings, from issuing them for sums less than £ 1. In 1777, £ 5 was made the minimum; but the Bank of England did not issue £ 5 notes until 1794, although country bankers always did so.

We have now taken a rapid glance over the chief monetary enactments of the last seven centuries, — statistics fraught with the most useful lessons, which every minister of state should study with patient, impartial mind, and a single eye to the country's weal.

"Nocturnâ versate manu, versate diurnâ."

Some of the facts are so astounding, that we can ascribe the submission of the people only to the densest ignorance. What would our periodical press say, in these days of liberty and reflection, were Queen Victoria to coin sovereigns containing three fourths only of the weight of gold in our present unit, and command them to be taken instead of twenty old shillings? Yet Henry the Eighth acted thus. What would our chambers of commerce, our corporate bodies, — what would the body of debtors say, were Lord John's government to order William the Fourth's shilling to pass for 2½d.? Yet Elizabeth did this, coolly giving as a reason, that "all people living on wages, all mean gentlemen living upon pensions, and soldiers, would be benefited." Happy debtors in the first case, — lucky creditors in the latter! Of course, these successive enormous enhancements disturbed the balance of justice amidst a population gradually increasing in numbers, manufactures, and agricultural resources, much less than they would have done had the population been retrograding.

# NEW VARIETIES OF GOLD AND SILVER COINS AND BULLION.

BY JACOB R. ECKFELDT AND WILLIAM E. DUBOIS,  
ASSAYERS OF THE UNITED STATES MINT.

## I. — RECENT COINS OF THE WORLD.

A COIN, once set in circulation, retains its place and use longer than any other part of the machinery of life, and is extremely slow in going out of fashion; so that the information respecting it, which the dealer, the collector, and the public at large require, does not soon become obsolete.

Pieces are current amongst us, a full century old; and all that space of time is included in the history of coinage, contained in our larger manual. But new coins, or modifications of old ones, are continually appearing; and in the latter case, it often happens that the holder finds he has become, if we may so speak, an unconscious sufferer. Old names are retained, but essential properties are altered; and a new progeny of doubloons, dollars, francs, or shillings, is found by an assayer's scrutiny to be something different, most likely inferior, to the older stock. Keeping a steady watch on these, as it is impliedly our duty, we have collected a number of items, which, as in our former publication, will be set forth in alphabetical order, and as briefly as possible.

The weight is expressed in grains, and the fineness in thousandth parts.

**BELGIUM.** — Gold coin, 25 francs; a new denomination; 1848 is the earliest date noticed. It expresses on its reverse the intended standards, 7.915 grammes (equal to 122.12 troy grains), 900 fine. The average of twenty pieces tried, is 121.9, fineness 899; value \$ 4.72. This is a slight depreciation: it ought to be \$ 4.79, to compare with the former series of Belgian gold coin, or \$ 4.81, to be equivalent with the French.

We notice also, in silver, a piece of 2½ francs, 1849, weighing 192 grains; fineness (of a single specimen) 901; value 46½ cents.

**BOLIVIA.** — The dollars from 1841 to 1846, tried in parcels, vary in fineness from 896 to 901; a very large lot gave 897; showing some



tendency downward. Weight, varying from 411 to 421, averages  $416\frac{1}{2}$ ; value on a general average, 100.6 cents.

BRITAIN. — The new *florin*, or two-shilling piece, being one tenth of a pound sterling, is understood to be an advance towards a decimal system. A considerable number have been coined, and the piece is fairly in circulation; but, like other silver coins of that country, it seldom makes its way out of the realm.

CALIFORNIA. See *United States*.

CENTRAL AMERICA. — It is not easy to keep pace with the fluctuations in the coinage of this country, any more than with its political history. Nine years ago, we averaged the doubloon at \$ 14.96, and the dollar at \$ 1.00.1. The country now seems to be divided (we judge by the coins) into two distinct republics, — Central America and Costa Rica.

Of the recent *gold* coinage of Central America, we have had opportunities of examining the quarter-doubloon, the eighth or escudo, and the sixteenth. The first, 1850, weighed 97 grains, fineness 863, value \$ 3.60. The second, 1844 to 1849, 48 grains, 809 fine, value \$ 1.67. The third, 1825 to 1849, 24 grains, 809 fine, value  $83\frac{1}{2}$  cents. — In *silver*, the dollar of 1847 is found to vary from 880 to 820 thousandths in fineness; those of 1840 to 1842 averaged 887. It would therefore not be safe to give more than 92 cents for a single piece, or 95 by the quantity; the laws of wholesale and retail, in the coin market, being directly opposite to those in other branches of trade.

The coins of Costa Rica, the seceding state, are in several respects quite remarkable; and in this particularly, that the gold pieces are among the handsomest that are current in the world, while the silver are beyond comparison the rudest; at least, the samples that we have seen. The specimens assayed here lately are the half-doubloon, weighing 208 grains, 851 fine, value \$ 7.62; and the quarter-doubloon, 97 grains, 845 fine, value \$ 3.53. The silver piece is the *real* (apparently shaped with hammer and chisel), 1846, 29 to 45 grains, 550 to 637 fine; average value  $5\frac{1}{2}$  cents.

CHILI. — In the dollar of 1848 we find a variation of weight from 415 to 419; fineness  $901\frac{1}{2}$ , which is lower than former dates; but the average value is 101 cents.

Until lately, we had no opportunity of testing the fractional coins. The quarter-dollar, 1843 – 1845, weighs only 92, but is 903 fine; the eighth, or *real*, is strictly proportional. Values respectively, 22.4 and 11.2 cents; making a profit to government, and a loss to holders, of about eleven per cent.

The newspapers of the day contain the following statement, concerning which we have no other information: —

“The Chilian Congress, now in session, has passed a new coinage law, article 1st of which states that three classes of gold are to be coined, of the standard of nine tenths fine, to be denominated, respectively, Condor, Doubloon (doblon), and Escudo.

“1. The Condor to weigh three hundred and five  $\frac{100}{1000}$  grains, and to correspond in value with ten silver dollars.

“2. The Doubloon to weigh one hundred and fifty-two  $\frac{70}{1000}$  grains, and to correspond in value with five silver dollars.

"3. The Escudo to weigh sixty-one  $\frac{100}{1000}$  grains, and be of the value of two silver dollars.

"Art. 2d. There shall be five classes of silver money, also of the standard of nine tenths fine, viz. : —

"A Dollar, weighing five hundred  $\frac{700}{1000}$  grains, and divided into hundredth parts or cents.

"A piece of fifty cents, containing two hundred and fifty  $\frac{350}{1000}$  grains.

"One of twenty cents, with one hundred  $\frac{140}{1000}$  grains.

"One of ten cents, with fifty  $\frac{70}{1000}$  grains.

"One of five cents, with twenty-five  $\frac{35}{1000}$  grains.

"Art. 3d. Establishes two classes of copper coinage, to be termed cents and half-cents, to be composed of pure copper without any alloy."

CHINA. — The trashy coin of this great empire deserves notice only by way of recreation. In 1842, we quoted the *cash* (tong-t sien) at 800 to the Spanish dollar; in 1847, the equivalent varied from 1200 to 1300, — so hard is it to fasten a value upon that which is valueless. A carpenter or tailor, we are told, receives 160 of them (say thirteen cents) for a day's work; of which sixty are required for the daily bread. The coin is extremely convenient for alms-giving, a single piece being the usual quietus for a beggar.

ECUADOR. — The quarter-dollar, or two-real piece, 1847, weighs 104, and is only 675 fine; value 18.9 cents. This depreciation corresponds with what was before noticed in some of the fractional coins of Peru.

FRANCE. — The twenty and five franc pieces of the Republic, although entirely changed in face, are the same for weight and fineness as before.

GERMANY. — Here there is no change of standards, but we observe the denomination of double-gulden, not noticed in the Manual, value 79 cents. The whole German issue of the gulden series gives an average of 900 fine by actual assay.

Since the adoption of the new rate of charges at this Mint, the thaler of Northern Germany, 750 fine, yields a return of  $67\frac{1}{4}$  to  $68\frac{1}{4}$  cents, according to wear; the crown, 875 fine, 106 to 107 cents.

HAYTI. — Large quantities of Haytian coins have been recoined here. They are so variable in weight and fineness, that it is not easy to put a definite valuation upon them. They should, however, yield 76 to 78 cents per ounce, taken promiscuously, and unwashed. The piece of 100 centimes, dignified with the name of dollar, bearing the head of President Boyer, is worth about 25 cents upon an average; while that of 25 centimes, both of Petion and Boyer, averages  $7\frac{1}{2}$  cents. In a large promiscuous deposit of all sizes, we found the average net value of the "dollar" to be 25.7 cents. The coins range from 600 to 625 fine, if free from counterfeits, — a baser quality than is to be found in any other coinage on this side of the Atlantic. But since August, 1849, there has been a new order of things; and coin-collectors and assayers are looking with impatience for the head of Faustin the First.

MEXICO. — In 1842, we averaged recent dollars at  $416\frac{1}{2}$  grains, 898 fine, value 100.6 cents. The average fineness has since improved to 899, and value 100.75 cents.

The coins of two new mints have recently been tried. The doubloon

of Guadalupe y Calvo, in the State of Durango, 1847, varies in weight from 417 to 420; fineness 869 to 873; average value \$ 15.69. The dollar of the same mint, 1844-1847, averages in weight 420½, in fineness 908, and therefore in value as high as 102.8 cents. This mint began operations in 1844; its distinctive mark is G C, in the usual place in the legend.

The dollar of Culiacan, in Sinaloa, 1846-1848, averages 415½ grains, with a pretty wide variation in individual pieces; fineness 903; value 101 cents. The mint-mark is the letter C.

Mexican dollars are not flowing so abundantly in this direction as in former years, although they are yielding a better return.

MILAN. — The revolution of 1848 produced a new gold coin in Lombardy: it bears on the obverse a female figure with the legend, *ITALIA LIBERA, DIO LO VUOLE*,—"Italy free, God wills it"; and on the reverse, a wreath, within which is the denomination, *20 LIRE ITALIANE*,—"20 Italian livres"; and outside of it the legend, *GOVERNO PROVVISORIO DI LOMBARDIA*. It weighs the same as the twenty-franc piece of France, and was evidently meant as a return to the Milanese standard of 1805. The coin is more rare than could be wished: only a single specimen has reached us. Coin-collectors will consider it as a prize, for its singular beauty, and its scarcity; and as the monument of a great event in history.

NETHERLANDS. — The new 2½-guilders piece was announced in our Manual as having been decreed, but had not then been received. The legal standards are, 25 grammes (385.8 grains) in weight, 945 thousandths in fineness. The actual results of dates 1842-1845 are, 386 grains, 944 fine; value 98.2 cents. The coin often appears here in mixed deposits. It is remarkable for its high grade of fineness; yet it is really a depreciated issue, since, to be equal to the former guilder series, it ought to be worth 100.2 cents.

NEW GRANADA. — This country continues to send a large supply of doubloons to our market; and this makes it the more important to notice a very recent and considerable reduction in the value of the coin. Within a few months a new piece has appeared, with new devices and standards; the latter being expressed on the face of the coin by "*LEI 0,900 — PESO 25,8064 G.*" That is, *fineness*, 900 thousandths; *weight*, so many *grammes*,—a long-drawn fraction, corresponding to 398.31 troy grains. At those rates, the piece would be worth \$ 15.43,8, and would avowedly fall below the previous value of the doubloon; but upon actual trial it is still worse, as will be shown directly. This change must have taken place since the beginning of 1849, as we notice pieces of the old style bearing that date.

But as the doubloons of New Granada are alloyed almost entirely with silver, which is now profitably parted at this mint, it is necessary to restate the mint value of the older piece, as well as to give information respecting the new. The silver extracted makes a sensible addition to the values of both kinds; that is, if they are offered in sufficient quantities to meet the requirement, that the net product of a parting must be not less than five dollars; below that limit the operation is not performed.

The following terms must therefore be noticed. The doubloon of the old style, down to the early part of 1849, weighs on an average  $416\frac{1}{2}$  grains, and contains 870 thousandths gold, and about 120 silver; if presented in a quantity less than 58 ounces, its net mint value will be \$ 15.61; in a larger quantity than that, it will be \$ 15.66. The new doubloon, beginning with 1849, weighs 398 grains, and contains in parcels 893 $\frac{1}{2}$  to 895 thousandths gold, say 894, and of silver about 100; net mint value, in any quantity less than 93 ounces, \$ 15.31; in a larger quantity, \$ 15.36.\*

NORWAY. — The immigration from this country brings us considerable parcels of Norwegian and Swedish silver coins. The *dalers* of these two realms, which have the same monarch, were stated in the Manual to be interchangeable as to value, although very different as to their standards. Under our new mint charges there is some variation of value, since those of Sweden are of so much lower fineness, and are subjected to a greater charge for refining. They will be noticed in place. The daler, and half, of Norway, average 878 fine (the law calling for only 875, or seven eighths), and their weights, unworn, are respectively 446 and 223 grains; net mint value of the daler, 105 cents; the half, 52 $\frac{1}{2}$ . This valuation is down to 1848, the latest date we have seen.

PERU. — A new half-dollar, with the word *Pasco* in the legend, 1844, gives an average weight of 203 (variation 200 to 210), fineness 906; value 49 $\frac{1}{2}$  cents.

PRUSSIA. — The years 1848, 1849, in other respects unsettled, show no change in the gold coinage. It still maintains its superiority to the other classes of ten and five-thaler pieces. The double-Frederick or ten-thaler, is 903 fine, weighs 206 grains, and is worth \$ 8.01; practically, an even eight-dollar piece for us.

RUSSIA. — Five-rouble pieces of 1848–1849 show the fineness of 916 $\frac{1}{2}$ ; a proof that the assaying and alloying are conducted with admirable exactness, the standard being 916 $\frac{1}{2}$ . The coin is worth \$ 3.96, 7. As the Russian mint depends, no doubt, upon the Russian mines, and not upon foreign coins, for its material, we felt an interest in examining as to what proportion of *silver* was left in the alloy of the coin, and found only 5 $\frac{1}{2}$  thousandths. Hitherto we have found no gold coins so nearly desilvered.

SIAM. — We were not sufficiently acquainted with the silver bullets of Siam, to take account of them in the Manual. Some specimens of this curious money have since been examined. They are of different calibres, and tolerably well proportioned to each other. The *tical* weighs, without much variation, 235 grains, and is 928 fine; value, 58.7 cents. The *salung*, 61 grains, 929 fine, 15.2 cents. The *prang*, 30 grains, 907 fine, 7.3 cents. Below this we have, as a present to the mint collection, three varieties, weighing 10, 4, and 1 $\frac{1}{2}$  grains; the last being worth about

\* This piece is considerably reduced in diameter, as compared with the old, and is a much neater coin. The dies are apparently of English make, and the head of Liberty, which is in good flesh, greatly resembles that of the British Queen. Collectors of Roman coins will be pleasantly reminded of the *nummi victoriat*.

three eighths of a cent, and very good silver withal. A sight of it would reconcile our people to the gold dollar. Siam may claim the merit of originality in the shape of her coin, which will not admit of piling, and scarcely of lying still; the lively emblem of a true circulating medium.

SWEDEN. — The specie daler of Oscar, 1847–1848, is 750 fine, weighs 525 grains, and yields 104.2 cents after mint charges.

TURKEY. — There was a new system of coinage promulgated in 1840, which is noticed in our work; there is a still newer, beginning with 1845. The gold coins are evidently designed to be 22 carats (916.6) fine, as in the neighboring empire of Russia. By actual assay they are 915 fine; the piece of 100 piastres weighs 111 grains, and is worth \$4.37,4; the piece of 50 piastres, 55½ grains, worth \$2.18,7. In respect to value they compare with the former series of 20, 10, and 5 piastres; though entirely of different standards.

The silver coins are greatly improved in quality, and apparently based upon the Austrian standard of five sixths (833⅓) fine. They are the piece of 20 piastres, 371½ grains, 828 fine, net value 82 cents; 10 piastres, 186 grains, 826 fine, 41 cents; and 5 piastres, 92½ grains, 824 fine, 20½ cents. These coins are well adjusted in weight, and altogether show in their way a great advance in the progress of Turkish civilization. The piastre of commerce seems to be based upon the gold; the exchange in 1845, when these coins were received, rated the piastre at 4.3 cents.

UNITED STATES. — By the law of March 3, 1849, two new gold coins, the double-eagle and the dollar, were added to the list; the former weighing 516 grains, or 21½ pennyweights, the latter 25½ grains; and both of the fineness of nine tenths, as the other coinage. A very large number, in both denominations, have been issued.

The new postage law of March 3, 1851, provided for the coinage of a three-cent piece, composed of three fourths silver and one fourth copper, and weighing 12¾ grains.

There are several classes of gold coin, which are not of the United States, but are struck within the national boundaries, and which ought to be noticed in this place. These are the BECHTLER'S coins of *North Carolina*, and the various *California* coins. In the same connection, it will be proper to give some details respecting several varieties of stamped ingots.

The coins of C. Bechtler are fully described in the *Manual* (page 160); but since the date of that publication, the mint has passed into the hands of A. Bechtler, as appears on the face of the coin; and there is a marked difference of value between the C and A. The five-dollar pieces of the former were deficient from one to six per cent. upon the alleged value, averaging three per cent., or \$4.85; the one-dollar pieces were worth 95½ to 97 cents. The five-dollar pieces of the latter vary, from the full alleged value, to a deficit of one and a half per cent. There are no dates on the coins to enable us to mark the difference; but the pieces assayed in 1843 were better than those (apparently fresh) assayed in 1849. The last and newest lot gave \$4.94 to the five-dollar piece. It is to be borne in mind, that, as Bechtler's pieces are alloyed

with silver, they will produce about a half of one per cent. more, if offered in sufficient quantity. The dollars, as far as tried, are two per cent. below their nominal value. The coin appears to be considerable in amount, but it is not current in the Middle and Northern States; it is frequently brought to the mint for recoinage.

The number of private mints which have been in operation in California, as indicated by specimens received here, is fourteen. Some of these have issued but a single denomination of coin, others two, and one (the Mormon) four. Besides these, there are the stamped ingots of Moffatt and Co., and of F. D. Kohler, State Assayer; and, lastly, the coin of Augustus Humbert, a United States Assayer under a legal provision of 1850.

1. The coin of "N. G. & N." does not profess the same degree of accuracy as Bechtler's, as to fineness. Its claim to be **FULL WEIGHT OF HALF EAGLE** is proved by a number of trials, the variation not exceeding one grain in any case; but the legend on the reverse, **CALIFORNIA GOLD WITHOUT ALLOY**, allows a pretty wide range. As far as our assays go, the truth of this stamp is proved; there is no alloy other than that already introduced by the hand of nature, and which is generally more than sufficient. Three pieces gave severally the fineness of 870, 880, and 892 thousandths; all were within the scope of "California gold." They consequently are worth \$4.83, \$4.89, and \$4.95½ respectively, without the silver; and including that, 2½ cents more.

The coin is neatly executed, and, besides the two legends above quoted, bears an eagle, a circle of stars, the date 1849, and the name **SAN FRANCISCO**. It wears the somewhat brassy tint which belongs to gold alloyed with silver only. (See fig. 1.)

2. The mint of the "Oregon Exchange Company" issues two denominations, ten and five dollars. They respectively profess 260 and 130 grains weight of "native gold." One five-dollar piece was found to weigh 127½ grains, was 878 thousandths fine, and contained only the natural alloy: resulting value, \$4.82; with the silver (in sufficiently large lots), 2½ cents more.

The coin is not well struck, but is pleasantly distinguished by the picture of a beaver, a good emblem of mining industry and of Western life. (Figures 2, 3.)

3. Next is the mintage of the "Miners' Bank, San Francisco"; a ten-dollar piece, of plain appearance.

The average weight is 263½ grains, the fineness about 865 thousandths, part of the alloy being copper. Average value \$9.87, with a risk of having it as low as \$9.75. (Fig. 4.)

4. Coinage of Moffatt and Co., 1849, 1850; pieces of ten and five dollars, in imitation of the national coinage. Several of the coining establishments, as will be seen, have adopted the same device, but evidently without evil intent, as most of their coins are worth what is professed, and some even more. The fineness, however, is in every case inferior to the standard of the mint, and this is likely to prove a source of discredit from European assayers, who will not take the trouble to assay. A large promiscuous lot of both kinds of Moffatt and Co.'s coins, dates

1849, 1850, shows an average of 897; average weight, to the ten-dollar piece, 258½ grains; average value \$9.97,7. (Figs. 5, 6.)

The S. M. V. on this and other coins is said to mean "Standard Mint Value."

5. Ten-dollar piece of J. S. O. (said to be Dr. Ormsby of Pennsylvania); one piece assayed gave 842 fine; weight 258½ grains; value \$9.37. Very few have come to hand. (Fig. 7.)

6. Twenty-five dollar and ten-dollar pieces of Templeton Reid; weights respectively 649 and 260 grains. Being the only two specimens received, they have not been cut for assay, but appear to be of California gold without artificial alloy. Assuming this, the values would be about \$24.50 for the first, and \$9.75 for the second. (Figs. 8, 9.)

7. Ten-dollar and five-dollar pieces of the "Cincinnati Mining and Trading Company," 1849. These also have not been cut, on account of their rarity, but appear to be of native gold, and, at the weights of 258 and 132 grains, may be rated at \$9.70 and \$4.95 respectively. (Figs. 13, 14.)

8. Ten and five-dollar pieces of the "Pacific Company," 1849; very irregular in weight, and debased in fineness; a ten-dollar piece weighed 229 grains, a five-dollar, 130; assay of a third, 797 thousandths. At those rates, the larger piece would be worth \$7.86, the smaller \$4.48; but the valuation is altogether uncertain. (Figs. 10, 11.)

9. Five-dollar piece of the "Massachusetts and California Company," 1849; a very pretty coin, but apparently debased with copper. Only one specimen has been noticed here; it weighs 115½ grains; has not been assayed. (Fig. 12.)

10. Coins of Baldwin and Co., four varieties; 1. a ten-dollar piece, 1850, distinguished by a horse and his rider, with a lasso; 2. twenty-dollar piece; 3. ten-dollar, 1851; 4. five-dollar, 1850; the last two in imitation of United States coinage. Of the first, one piece tried weighed 263 grains, fineness 880, value \$9.96. Of the second, four pieces tried varied from 511 to 523 grains; but one hundred pieces averaged 517; the fineness varied from 861 to 871; average fineness 868½, average value \$19.33. Of the third, ten pieces averaged 259½ grains; average fineness 870; average value \$9.72. Of the fourth, average value \$4.92. (Figs. 15, 16, 17, 18.) The Baldwin coins contain some copper; about 20 thousandths.

11. Ten and five-dollar pieces of Dubosq and Co., 1850, also in imitation of the national coinage. The larger piece averages 262 grains, and three specimens gave the fineness of 899½, which is a mere shade below standard; consequent value, \$10.15. A single five-dollar piece yielded \$4.92. But a mixed parcel, counting \$1,000, gave the fineness of 887, and the close value of \$1,000.20. Consequently the pieces may be averaged at par. (Figs. 19, 20.)

12. Five-dollar piece of Shultz and Co., 1851. Average weight, 128½ grains; fineness of three pieces, 879; value, \$4.97.4. The devices are in imitation of United States coin. (Fig. 21.)

13. The Mormon coinage, although executed in the Territory of Utah, is without impropriety classed amongst California coins, on account

of neighborhood, and the source whence the material is derived. These are the four denominations of twenty, ten, five, and two-and-a-half dollars. Although there is much irregularity both in weight and fineness, the denominations are tolerably in proportion to each other. A parcel made up of all sizes, and counting \$562.50, yielded at the mint \$479.20; say \$8.52 to the ten-dollar piece. The fineness was 886. (Figs. 22, 23, 24, 25.)

14. Five-dollar piece of Dunbar and Co., in imitation of United States coin. A lot of 111 pieces averages 131 grains weight, 883 fineness, value \$4.98. (Fig. 26.)

15. Fifty-dollar piece of the United States Assay-Office at San Francisco, established by act of Congress of 1850. It first appeared here in April, 1851. The coin is prepared and issued by Messrs. Moffatt & Co. as contractors, and bears the stamp of Augustus Humbert, assayer. The two professed rates of fineness, 880 and 887 thousandths, are found upon assay here to be duly maintained, whether in single pieces or in large quantities. But some irregularity in the weight of so heavy a piece, alloyed with silver only, and offering eight corners to wear, is to be expected. When presented in quantities sufficient to allow for parting the silver, say 70 ounces, the average mint value is about \$50.10; in less quantities, the silver not being allowed for, the average value is about \$49.90. But even without the silver they occasionally come up fully to the alleged value. This coinage is understood to have put a stop to all private issues in California.

The foregoing comprehend all the varieties of *coin* that have been brought to this mint. There have been, besides, two sorts of stamped bars or ingots, evidently intended for currency.

1. The ingots of Moffatt & Co., of various sizes, from about \$9 to \$260. (See figures 28, 29.) It may be stated, in general, that some were found to be rated too high, and others too low. The sixteen-dollar ingot yields about \$15.75, but is irregular.

2. The issue of bars by F. D. Kohler, Assayer of the State of California, commenced in May, 1850. (See figure 30.) They are of various sizes, from about 40 to 150 dollars. We find a slight undervaluing in his basis of calculation, and generally an error of assay in the same direction; so that on the average his bars are worth at the mint one per cent., perhaps one and a half, more than the value stamped upon them.



## II. — RECENT COUNTERFEIT COINS.

THE great majority of counterfeits, new or old, deserve neither to be admired nor feared; and the fact of their obtaining any circulation proves folly on the one party, as much as roguery upon the other.

With this wholesale judgment, we dismiss a multitude of awkward Mexican birds, laughable heads of Liberty, type-metal casts, and villainous compounds of German silver; all of which are too much kept in countenance by the lingering presence in our circulation of the ugly and worn-out coin of Spanish monarchs. There are two or three varieties, however, recently brought to our notice, which deserve a more respectful attention; and these are counterfeits of gold coin only.

1. First may be mentioned, an imitation of the well-known doubloon of Bogota, in New Granada; very well executed as to appearance, but still more respectable on account of the liberal proportion of the right metal. The specimen tried here, of the date 1843, contained 653 thousandths of gold, the remainder being nearly all silver; and the weight being 416 grains, or only a half-grain below the average of the true coin: its value was \$ 11.70. The value of the genuine being (irrespective of silver) about \$ 15.61, the amount of profit and loss is apparent. The operators needed some advice, which an honest person would not like to give. The piece was detected by its wanting the true color, which, in such an alloy, no art of pickling can impart. Those who deal in patriot doubloons have to beware of pieces looking too pale, or too much like fine gold. In this case, the grand test of *weight* was fallacious.

2. A much more important counterfeit, or class of counterfeits, to us, is the imitation of our gold coin, lately brought to light; and which is as interesting to the man of science as it is dangerous to the commercial dealer. The varieties include the eagle, half-eagle, and quarter-eagle; there is not much danger of a false gold dollar of that manufacture, for reasons which will be obvious in the examination.

These various counterfeits began to make their appearance in 1847, although some of them bear earlier dates; and they perfectly agree in character. They are of so perfect execution, that strong apprehension was at first entertained of the surreptitious procurement of genuine dies, notwithstanding all precaution in that matter. However, upon a minute inspection, the impression, although entirely "brought up," is not so sharp and decided as in the genuine coin, and from that circumstance they have exteriorly a family character by which a practised eye may perhaps single them out. The details of impression correspond to those of the genuine, to the last microscopic particular. The most skilful and deliberate artist in the world could not take up the graver and make such a fac-simile; their dies must have been transferred from our coin by a mechanical process.

The coins have rather a dull sound in ringing, but not as if flawed; although they are actually each in three distinct pieces of metal. Some few of them, where the weight is kept up, are thicker than the genuine, and necessarily so; but generally the half-eagles run, as in the good

pieces, from 55 to 60 thousandths of an inch, within the raised rim. The diameter is sometimes rather too great. The composition is as follows. A thin planchet of silver (of Spanish standard, as we found by assay) is prepared, so nearly of the right diameter that the subsequent overlaying of the gold plate at the edge will make it exact. Two other planchets, of gold, whose quality will be stated directly, are also prepared; one of them is of the right diameter of the projected coin, the other is about a quarter of an inch larger in diameter. Here are the three pieces which make up the coin. The two gold plates are then soldered upon the silver, the projecting rim of the larger disk of gold is bent up to meet the smaller, and to constitute the edge of the coin, and then the whole is finished by a blow in a coining-press. The suggestion that the coin may have been perfected in an electrotpe battery is disproved by several considerations, especially by the conclusive one, that the effects of the *blow* are visible upon the silver planchet, when the gold is lifted off; and the process of *sawing out* a good coin, so as to make use of its two faces to cover a piece of silver, could not have been employed in this case, because the edge of the coin actually appertains to one of the gold surfaces; and besides, the gold is sometimes of a higher fineness than our standard.\*

The eagle, of which we have had but one sample, was not particularly noted, as it came after some others of the lower denominations.

Of the half-eagle counterfeits, we have had the dates of 1844, 1845, and 1847. Of the quarter-eagle, only the date of 1843 has been shown, and this had the mint-mark, O, of the branch at New Orleans.

The half-eagle of 1844 weighed 129 grains, just the right weight; the golden part weighed  $84\frac{1}{2}$  grains, and was 915 thousandths (about British standard) fine; value of the gold \$3.30. The silver weighed 44 grains, was 897 thousandths fine, and worth 10 cents; whole value of the piece, \$3.40. Another piece, 1845, was 10 grains light; another of the same date, of which only a part was furnished, gave the assay of  $902\frac{1}{4}$  thousandths for the gold on the head side, and  $901\frac{1}{4}$  on the eagle side; both higher than our limit, but very near it. Two other pieces, 1847, were each about 13 grains light; specific gravity of one of them, 14.1. (That of the true coin is 17.2 to 17.5.)

Of the quarter-eagle, no less than five were offered in a single deposit for recoinage; they were severally from one to nine grains light. One piece, however, from another source, was a little over weight; the specific gravity, 12.83; fineness of the gold, 915; value of the whole piece about \$1.25.

It only remains to inquire how these counterfeits are to be detected and avoided. First, it may be said, that to lay down any rules which

\* This counterfeit is knowingly accounted for in a late newspaper paragraph. The writer says, — "The dies, under the present rules (at the United States Mint) are all pressed; hence the ease with which they can be counterfeited by any die-sinker. In England and France, the most eminent men in that branch are selected to coin dies, and such is the sharpness and perfection of their dies, that counterfeits are almost an impossibility." It was from the mints of England and France that we borrowed the improvement of transferring dies.

would protect the careless and indifferent is out of the question. Any man who can afford to take a half or quarter-eagle from any but an undoubted source, without *some* attention, can at any rate afford to be cheated out of half its value. And yet the best test we can propose is altogether an inconvenient one to any but a bank, broker, or shopkeeper. That test is *the weight*. In every case except one, which has come under our notice, the balance would have settled all doubts. An error of a grain, in an unworn piece, would be conclusive; even worn pieces of our gold coinage are never deficient, on that account, more than one grain and a half. If the counterfeit should happen to be of right weight, then its too great *thickness* would be apparent to a careful examiner.

As the balance is not a very portable or ready apparatus, several instruments have been contrived expressly for the purpose of trying gold coins, upon the principle of combining the tests of weight and dimensions. They are no doubt worth examining.

On the whole, it is difficult to say how far the appearance of this class of counterfeits should alarm the public, and make them shy of a gold currency. It is certainly the most dangerous imitation that has come to our knowledge. Yet, when it is considered that in each counterfeit of the half-eagle there is and must be from three to three and a half dollars' worth of precious metal; that the manufacture must require a good deal of machinery, and consummate skill, both artistic and mechanical; that the investment of a considerable capital is requisite, as also a wide organization for pushing the issues quietly into circulation, it may be hoped that prudent and competent persons will find it better worth their while to pursue a more honest and honorable calling. The public have an additional security, in respect to gold coins, that they are constantly passing through the various treasuries of government, the banks, and the brokers' offices, by whose vigilance that currency is kept nearly or quite pure.

We have also seen counterfeit half-eagles of the Dahlonega mint (D), of brass gilt, pretty well executed, but very light; date 1843. Also a quarter-eagle, 1846, no mint mark, copper and silver, heavily gilt; well looking, but weighing 48 grains instead of 64½.

### III. — GOLD FROM CALIFORNIA.

IN the work to which this is a supplement, information was given respecting gold bullion, in its various forms, from all the localities whence it came to this mint, including almost all the mining regions in the world then known. Since that time, the mines of California have disclosed their unrivalled treasures, and presented a new and abundant stock to operate upon. The history of this discovery and of its progress reaches the public through every newspaper, and needs no recapitulation here; but whatever is known to us as assayers, respecting this gold, will now be concisely stated.

We have had opportunities of examining the auriferous product of that country in four forms : first, the superficial dirt and gravel, as it comes up by pick and spade ; next, the ferruginous black sand, remaining after the earthy matter had been washed out, but containing the gold ; thirdly, the vein-gold, or auriferous quartz rock ; lastly (which is the appropriate work of the office), the clean gold itself, either in grains, amalgam, bars, or coins.

The first sample of *ore* was sent us by an officer in the army, during the Mexican war, and in advance of the wonderful rumors ; but so perfectly exempt was this considerable invoice of stones from any thing like precious metal, that we might be forgiven for having joined in the general incredulity by which so many have been deceived, and some belated. Other specimens have since been forwarded for examination by the Hon. Secretary of the Interior, most of which were equally unproductive ; disproving at least the common impression, that every thing in the gold region is a gangue for gold. One of these, a serpentine rock, contained nothing ; another, the slate on which the gold deposits lie, was also free from gold ; a third, the usual ferruginous quartz of mining districts, showed only a trace ; while a fourth, the deposit of gravelly earth found in the bed or on the margin of a stream, yielded, upon various experiments, at the rates of ten to thirty dollars per bushel, or hundred pounds. (The amount taken at each trial was one kilogramme, over two pounds.)

The most available mode of working was found to be the ordinary one of *washing*, with some aid, at the close, from amalgamation. With a moderate degree of care, washing secures all the gold in the matrix, or brings it into a narrow and manageable compass, for recovery. To prove this, several successive trials were made of the same quantum of earth. All that remained, after the first washing, was found to be of scarcely appreciable amount ; as, for instance, when the quantity first extracted was about fifteen grains, the residue afterwards obtained was only one twentieth of a grain. It is not as in our Atlantic mines, where the gold is disseminated in pyritous ores, and often in an invisible powder ; where there is a wide difference between the various "yields" of washing, amalgamating, and smelting, and a still wider, between the results obtained in an analyst's laboratory, and those in extended, practical operations. Judging from experiments here, the same cannot be said of the California mining region. What is lost there, is probably not in the washing, but in the subsequent separation of the gold from the *black sand*.

What we have to say respecting the examination and treatment of the black iron sand, was laid before the public in a report to the Hon. Secretary of War. The following is an extract : —

In this last place, we have to mention an examination of some samples of sand, interspersed with gold, also forwarded by the War Department. Of this there were two parcels. The first, weighing in all about 8½ pennyweights, was first reduced in bulk by removing the grains of magnetic iron, and then subjected to cupellation, a smelting in the small way. The result of the whole treatment was as follows : —

Gold, . . . . .	9.8 parts in a thousand.
Silver combined with gold, . . . . .	1.2 " " "
Protoxide of iron (magnetic), . . . . .	597.2 " " "
Residue, consisting chiefly of peroxide of iron, . . . . .	391.8 " " "
	<hr/> 1000.0

This would be 68.75 grains fine gold, or 77.07 grains of gold of native fineness, in a pound avoirdupois of the sand.

The other parcel was treated in two ways, both differing from the former. First, we took a specific quantity, weighed by milligrammes (equal to about 11½ penny-weights), and having cleansed it by the magnet, subjected the remainder to a very thorough amalgamation. The amount of fine gold obtained was 12.44 per thousand. Again, the same quantity of sand was thoroughly washed (more time being taken to it than would be likely to pay in a large operation), and there resulted 12.05 parts of fine gold per thousand. To give cupellation its due credit, we must remark that this second parcel was evidently the richest to the eye. The specific gravity of the black sand, without the gold, is 4.4, nearly the same as that of simple magnetic iron.

Thirdly, we have had here for examination one lot of specimens, weighing in all about 470 pounds, stated to be from the Mariposa mining district, and a fair sample of a mining vein. It was ferruginous and white quartz, very variously interspersed with gold, from a proportion entirely too small to be worth working, up to seventy dollars a pound. This is altogether characteristic of a gold mining region. An assay of some of this gold showed the high fineness of 948 thousandths. Lastly, it will interest all parties concerned to have some particulars about the gold, after it is recovered from yellow earth and black sand, and put up in merchantable shape. It comes here in four forms, as already named. Two of these, *bars* and *coins*, have been discussed under a former head; of a third, namely, *amalgam*, we have occasional deposits; and nothing need be added to what was said of that form of bullion in the Manual of Coins (page 153); the fourth, *lumps and grains* (not *dust*), is the principal condition of California gold in the market.

Those grains appear in every variety of form and size, from the shapeless lump to the beautiful oval spangle; from the weight of several pounds to the fraction of a grain; though none are so comminuted as the fine particles of African or Colombian dust. The largest lump exhibited here, thus far, weighed 265½ ounces, and was worth \$3,900. The amorphous lumps are understood to be from the "dry diggings"; the flat spangles, and larger laminations, which show the action of running water in the rounding of their corners, are from the beds or margins of mountain streams, discharging into the two main rivers, Sacramento and San Joaquin.

As it respects any characteristic difference in the *fineness* of the gold of different locations (a very important inquiry), we have to say, that, having tried samples from various sections of the gold region, selected and marked with that view, we are unable to find any such difference. As a general rule, the flat spangles of the rivers are better than the average of other grains, perhaps as much as one per cent.; while the large lumps appear to be higher, generally, than either; not invariably, because some lots of such lumps came out unexpectedly low. The extreme boundaries of fineness of all California gold, so far, are 714 to

957; but these are so wide of the customary limits that dealers need not fear the one, nor hope for the other. The usual range is from 860 to 900. There is, however, a variety of peculiar grain, first observed here in June, 1850, which runs from 825 to 855; the alloy being, as in the other case, all silver, or nearly so. These figures refer of course to the gold after melting. In that operation there is a loss, which seems to grow each year more variable and uncertain, though progressively on the increase. In our former publication, this loss was averaged at 2½ per cent., "owing mainly to the presence of the oxide of iron which covers and penetrates every grain." It was also stated, that "if the gold grains should be dampened, or saturated with water, as is frequently their condition on opening at the mint, the loss in melting may reach four per cent." But the character of the gold in market, for some time past, is for the most part materially changed; that is, it contains more dirt and black sand. The amount of these foreign substances is well indicated in a tabular statement found in the *Alta Californian*, a daily paper of San Francisco, of March 4, 1851, containing the actual results of meltings at the United States Assay Office of California, by which it appears that they find a variation of loss, from two to eleven per cent.; the average being about six per cent. This corresponds with the experience of the mint. Amalgamated gold loses five to seven per cent., averaging the same as the grains. The average value of the gold in grains or amalgam, as indicated by a recent estimate, is \$17.25 per ounce; the range being from \$16.25 to \$18.25. The allowance for silver parted, when a sufficient quantity of gold is presented in one item, say fifty to eighty ounces, according to quality, makes an increase of value of six or eight cents per ounce.

The gold of California sometimes contains a little platinum, but more frequently the osmiuret of iridium, in quantities too minute to affect the value, but sufficient to require watching, in mint operations. The alloy of the gold ordinarily is silver, with a little iron. It is the coating of the oxide of iron which gives the gold its rich hue, almost resembling that of fine gold. As that is removed in melting, the metal comes out so much paler than before, that persons unacquainted with the matter might suspect a wilful admixture of silver. The people of California understand this, from the comparison of bars and coins made there with the native grains.

The manufacture of mammoth lumps has been carried on to some extent in California, and apparently for different purposes. At first, the genuine California gold, being taken fluid from the melting-pot, was ingeniously mingled with broken bits of quartz, producing a specimen which at once astonished the beholder, and commanded an extra price. But this was legerdemain of the golden age. They have since found a method of imposing upon traders with a base mixture, about half gold, the rest silver and copper; which, being cast out amongst stones, and afterwards pickled, certainly presents quite a *native* appearance, very likely to deceive. Several such have been offered at the mint. They can always be detected, however, by one of the surfaces (the bottom one) showing marks of previous fusion. A little cutting, also, soon betrays the hardness and redness.

IV.—RECAPITULATION OF THE NET MINT VALUE OF GOLD AND SILVER COINS, ISSUED WITHIN TWENTY-FIVE YEARS PAST.

N. B. INQUIRY has been frequently made at the mint for a compend of the values of foreign coins, without a due consideration of the difficulty of putting in a small space such a statement as would be satisfactory. The quarto volume, to which this is supplementary, was not found too large for its purpose, which was to supply such information as dealers, amateurs, and legislators would from time to time be likely to require. Still, a condensed table of the coins more usually seen, and within a contracted range of date, would certainly be useful to dealers and others, and especially with the modifications occasioned by the new mint tariff of charges. We therefore offer the following, inserting values only, and leaving the details of legal weight and fineness, and of actual weight and fineness, to be sought for in the larger work; as also the particulars concerning coinage of older date than just specified.

GOLD COINS.		D. C. M.	GOLD COINS.		D. C. M.
AUSTRIA.	Quadruple ducat, . . . . .	9.13	PORTUGAL.	Half-joe (full weight), . . . . .	8.65
	Ducat, . . . . .	2.37 5		Crown, . . . . .	5.81
	Sovereign (for Lombardy), . . . . .	6.75	PRUSSIA.	Double Frederick, . . . . .	8.00
HADEN.	Five Gulden, . . . . .	2.04	ROME.	Ten scudi, . . . . .	10.37
BAVARIA.	Ducat, . . . . .	2.27	RUSSIA.	Five roubles, . . . . .	3.96 7
BELGIUM.	Twenty-franc piece, . . . . .	3.83 2	SARDINIA.	Twenty lire, . . . . .	3.84 5
	Twenty-five-franc piece, . . . . .	4.73	SAXONY.	Ten-thaler, . . . . .	7.94
BOLIVIA.	Doublon, . . . . .	15.58		Ducat, . . . . .	2.25
BRAZIL.	Piece of 6,400 reis, . . . . .	8.72	SPAIN.	Pistole (quarter-doublon), . . . . .	3.20 5
BRITAIN.	Sovereign, . . . . .	4.84 5	TURKEY.	Hundred piastres, . . . . .	4.37 4
BRUNSWICK.	Ten thaler, . . . . .	7.89		Twenty piastres (new), . . . . .	83
CALIFORNIA.	See <i>United States</i> .		TUSCANY.	Sequin, . . . . .	2.30
CENTRAL AMERICA.	Doublon, . . . . .	14.98	U. STATES.	Eagle (before June, 1834), . . . . .	10.62
	Escudo, . . . . .	1.67		Five-dollar piece of C. Bechtler, average, . . . . .	4.85
COSTA RICA.	Half-doublon, 1850, . . . . .	7.62		Dollar of the same, average, . . . . .	96
CHILE.	Doublon (before 1835), . . . . .	15.57		Five-dollar piece of A. Bechtler, . . . . .	4.92 to 5.00
	" (1835 and since), . . . . .	15.66		Dollar of the same, . . . . .	98
DENMARK.	Double Fred., or Ten-thaler, . . . . .	7.88	Oregon Exch. Co.,	Five dollars, . . . . .	4.92
ECUADOR.	Half-doublon, . . . . .	7.60	N. G. and N., San Fr.,	Five dollars, . . . . .	4.83 to 4.95
EGYPT.	Hundred piastres . . . . .	4.97	Miners' Bank, " Ten "	average, . . . . .	9.87
FRANCE.	Twenty francs, . . . . .	3.85	Moffatt's	Ten-dollar piece, . . . . .	9.98
GERMANY.	Twenty drachms, . . . . .	3.45	"	Five-dollar " . . . . .	5.00
HANOVER.	Ten-thaler, George IV., . . . . .	7.84	"	Sixteen-dollar ingot, . . . . .	15.75
	Do. Wm. IV. and Ernest, . . . . .	7.89	J. S. O.,	Ten-dollar piece, . . . . .	9.37
HINDUSTAN.	Mohur, E. I. Company, . . . . .	7.10	T. Reid,	Twenty-five-dollar piece, . . . . .	24.50
MCKLENSBURG.	Ten-thaler, . . . . .	7.89	"	Ten-dollar " . . . . .	9.75
MEXICO.	Doublon, average, . . . . .	15.53	Pacific Company,	ten and five, uncertain.	
NETHERLANDS.	Ducat, . . . . .	2.25 5	Mass. Company,	five, uncertain.	
	Ten guilders, . . . . .	4.00 7	Cincinnati Co.,	ten, estimated, . . . . .	9.70
NEW GRANADA.	Doublon, 21 carat std., . . . . .	15.61	"	five, " . . . . .	4.95
	" includ. the silver, . . . . .	15.66	Baldwin,	twenty dollars, . . . . .	19.33
	" nine tenths std., . . . . .	15.31	"	ten " with horseman, . . . . .	9.96
	" includ. the silver, . . . . .	15.36	"	" " second issue, . . . . .	9.73
PERIA.	Tomaun, . . . . .	2.23	"	five " " . . . . .	4.92
PERU.	Doublon, Lima, to 1833, . . . . .	15.55	Dubonq,	ten " . . . . .	10.00
	" Casco, to 1833, . . . . .	15.62	"	five " . . . . .	5.00
	" " 1837, . . . . .	15.63	Shulte,	" " . . . . .	4.97

GOLD COINS.		SILVER COINS.	
	D. C. M.		D. C. M.
Dunbar, five dollars, . . . .	4.98	GUAYANA, British. Guilder, . . .	26 2
Humbert, U. S. Assayer, fifty dollars, . . .	50.00	HANOVER. Thaler, fine silver, . . .	69 2
Mormon coinage, twenty doll., average . . .	17.00	" 750 fine, . . . .	68
" ten " . . . .	8.50	HAYTI. Dollar, or 100 centimes, . . .	25 7
" five " . . . .	4.25	HESSE-CASSEL. Thaler, . . . .	67 5
" two-and-a-half doll., . . . .	2.12	One-sixth thaler, . . . .	11
Kohler's bars, about one per cent. higher than his valuation.		HESSE-DARMSTADT. Florin or Gulden, . . .	39 5
		HINDUSTAN. Rupee, . . . .	44 5
		MEXICO. Dollar, average, . . . .	1.00 7
		NAPLES. Scudo, . . . .	94
		NETHERLANDS. Three guilders, . . .	1.20
		Guilder, . . . .	40
		Twenty-five cents, . . . .	09 5
		Two and a half guilders, . . . .	98 2
		NEW GRANADA. Dollar, usual weight, . . .	1.02
		Dollar, or ten reals, 1851, . . .	93
		NORWAY. Rigsdaler, . . . .	1.05
		PERIA. Sahib-koran, . . . .	21 5
		PERU. Dollar, Lima mint, . . . .	1.00 6
		" Cusco, . . . .	1.00 8
		Half-dollar, Cusco, debased, . . .	36
		" Arequipa, debased, . . . .	36
		" Pasco, . . . .	49 5
		POLAND. Zloty, . . . .	11 2
		PORTUGAL. Cruzado, . . . .	55 2
		Crown, of 1000 reis, . . . .	1.12
		Half-crown, . . . .	56
		PRUSSIA. Thaler, average, . . . .	68
		One sixth thaler, average, . . . .	11
		Double Thaler, or 3½ Gulden, . . .	1.39
		ROME. Scudo, . . . .	1.00 5
		Teston (3-10 scudo), . . . .	30
		RUSSIA. Rouble, . . . .	75
		Ten Zloty, . . . .	1.13 5
		Thirty copecks, . . . .	22
		SARDINIA. Five lire, . . . .	93 2
		SAXONY. Species-thaler, . . . .	96
		Thaler (XIV. F. M.), . . . .	68
		SIAM. Tical, . . . .	58 5
		SPAIN. Pistareen (4 reals vellon), . . .	19 5
		SWEDEN. Species-daler, . . . .	1.04 2
		Half " . . . .	52
		TURKEY. Twenty piastres, new coinage, . . .	82
		TUSCANY. Leopoldone, . . . .	1.05
		Florin, . . . .	26 2
		WURTEMBERG. Gulden, 1824, . . . .	26 5
		" 1838, and since, . . . .	39 5
		Double thaler, or 3½ Gulden, . . .	1.39



## A PRACTICAL TREATISE ON BANKING.

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Continued from page 157, August No.

## SECTION VI. — THE BANKS OF SCOTLAND.

CHAPTER IV. — *Laws of the Currency in Scotland.* CHAPTER V. — *Those Operations of the Scotch Banks that refer to Cash Credits ; Deposits ; Remittances to India ; and the settlement of the Exchanges.* CHAPTER VI. — *Exchange Banks and Exchange Companies of Scotland*

## SECTION VII. — THE BANKS OF IRELAND.

CHAPTER I. — *Observations on the Organization of the Banks in Ireland.* CHAPTER II. — *The Bank of Ireland.* CHAPTER III. — *The Provincial Bank of Ireland.*

THE following letter, written by an agent at Inverary to Roger Aytoun, Esq., manager of the Renfrewshire Bank at Greenock, states the inconveniences which the writer apprehends would result from the introduction of a metallic currency into that part of Scotland : —

"With regard to the proposed measure of suppressing bank-notes in Scotland for less than £ 5, I think it would be ruinous to this country ; for I cannot see how, if it takes place, the business of the country can be carried on. Confining myself to some of the most prominent instances in which the Highlands will be affected, I shall state the difficulties that occur to me. Our produce chiefly consists of cattle and sheep, grain, wood, kelp, and the production of the fisheries. Cattle are brought to the country markets by the breeders, chiefly small farmers, every man attending his own, and having generally from one to three young animals for sale. There they are met by the dealers and graziers, who purchase such of the beasts as suit them ; and it is seldom that a single animal, at the age of one or two years, being the ages at which they sell them to the dealers and graziers, comes to the price of £ 5 ; the price is more frequently from £ 2 to 4. Of these a dealer often purchases two or three hundreds in single beasts, so that he has more than £ 1 and less than £ 5 to pay to each of as many sellers ; but he has no notes under £ 5, and the sellers are not able to return balance in any coin. This will occur to many dealers at every market ; and how is the difficulty to be removed ? The dealers must all come loaded with gold and silver, and this they cannot carry to the necessary amount ; and besides, they will not be supplied by banks with gold and silver for their bills by which there would be no profit. The means of paying being wanting, the seller will not deliver, and the object of the parties is frustrated ; and thus a difficulty is cast in the way of disposing of this material article of Highland produce, which must discourage the sales, and occasion a reduction of price, and consequently of the rent and value of land.

"It is the same in the case of grain, of which bear or barley is what is chiefly sold by small farmers to the distilleries. In settling for some bolls, bought in small quantities of two or three bolls, £ 5 notes will be found most inconvenient ; and the purchasers and manufacturers of wood and bark, and of seaweed for kelp, who require many hands, and pay off their workers generally once in a month, none of whom will draw so small a sum as £ 1, nor so large a sum as £ 5, will experience the same difficulty.

"The herring fishery on our coast employs several thousand men, and is of very great importance. Instances have occurred of herrings being taken in Lochfine alone to the value of £ 40,000 in one season ; and a thousand boats are generally employed

there in the fishing. The fishermen every morning sell their fish to the curers on shore, receive their money, and set out in quest of more. The value of each boat's fishing for a night sometimes exceed £5, but generally is under it; and there are, in this fishing station alone, a thousand boats to be paid off every morning, of whom most probably two thirds have to receive less than £5 each. It will be impossible to provide gold and silver sufficient for such a purpose; and in the remote parts of the North Highlands, where the fishery is much more extensive, and banks at a greater distance, the difficulty is insuperable.

"At present the business of the Highlands is transacted by means of bank notes of £1 and £1 1s. with some larger notes on occasions, and that with the greatest facility. Cattle dealers, and all others, having to pay away money to any amount in small sums to a number of people, as in the instances mentioned, prepare themselves by a mixture of notes, some large and some small, accompanied by a few pounds of silver, and every thing goes on well. These notes are preferred by the country people before gold, both because they are unable to distinguish between the genuine and base metal, and because these coins are more liable to be lost from their pockets than notes; and they have no reason to repent their confidence in the stability of these banks, whose notes they have been accustomed to receive for so many years in their transactions. But if small notes are superseded, and gold substituted, it is not easy to see how the supply of gold is to be kept up to carry on the business and transactions of this country. Should a quantity of it be received into the circulation, it would not remain long, but find its way into the banks, who will not again give it out in bills as they do their notes, and it will immediately become a scarce article in the country. A person, then, having to pay in small sums, will on every such occasion be obliged to send his large notes to the bank that issued them, perhaps a hundred miles off, to receive gold and silver in their place, to answer his purpose. The conveyance of it to him is next to be provided for. The weight may be too much for the post. There are no mail coaches; and he must either employ a carrier, moving too slowly for his occasions, or be at the expense of sending a trusty person for the treasure.

"In transmitting money from one part of the country to another, the same difficulty will often present itself. Suppose a person in the Western Isles has to pay £19 to one on the Continent. At present this may be conveniently done by three notes of £5 and four of £1 inclosed by post; but when there shall be no £1 notes, the odd £4 must be sent in gold or silver, not conveniently carried in a post letter, and requiring that a person be employed for the purpose, and at some expense.

"Many other such difficulties and inconveniences will occur. These presented themselves to me, and I stated them hastily, without regard to order. If you find any thing in them useful for the purpose I shall be pleased. But it appears extremely hard that the Scotch system should be disturbed, and that we should be obliged to adopt one, not only unsuitable to our purposes, but ruinous to the business of our country."

#### V. — *Those Operations of the Scotch Banks that refer to Cash Credits, Deposits, Remittances to India, and the Settlement of the Exchanges.*

I. *Cash Credits.* — A cash credit is an undertaking on the part of the bank to advance to an individual such sums of money as he may from time to time require, not exceeding in the whole a certain definite amount, the individual to whom the credit is given entering into a bond with securities, generally two in number, for the repayment on demand of the sums actually advanced, with interest upon each issue from the day upon which it is made.

Cash credits are rarely given for sums below £100; they generally range from £200 to £500, sometimes reaching £1,000, and occasionally a larger sum.

A cash credit is, in fact, the same thing as an overdrawn current account, except that in a current account the party overdraws on his own

individual security, and in the cash credit he finds two sureties who are responsible for him. Another difference is, that a person cannot overdraw his current account, without requesting permission each time from the bank; whereas the overdrawing of a cash credit is a regular matter of business,—it is in fact the very thing for which the cash credit has been granted. The following advantages have been ascribed to the cash credit system.

1. Cash credits enable young men of good character to acquire wealth and respectability. (This, and the following quotations, are taken from the evidence given by the witnesses from Scotland, before the Committees of Lords and Commons, appointed to consider the expediency of abolishing the notes under £5).

"I have known many instances of young men who were starting in the world from low situations of servants, who have conducted themselves well during the time they were apprentices, or farm servants even, who were able to procure an account from a bank by means of some friends or acquaintances becoming their securities, that in the course of their business have raised themselves to situations by becoming farmers of considerable extent, or manufacturers in a way highly creditable to themselves and beneficial to the country.

"Without cash credits, sober, attentive, and industrious people, would not have the means at all of following up what they very deservedly might be encouraged to follow up; they begin the world, in all probability, with a mere trifle, which trifle they have been known to make by their own industry. Having made that, it recommends their character to persons of perhaps a little more fortune, who, to encourage them, become sureties for their cash accounts.

"The classes of persons who have cash credits are very various; but they are generally the industrious classes of persons, merchants, and traders, and farmers.

"The accommodation is more readily given to a small than to a large amount,—the bank preferring to grant ten credits for £100 than one for £1,000, thereby demonstrating that their accounts are quite as much for the assistance of the poor as for the accommodation of the rich."

2. Cash credits furnish great facility to tradesmen and others in carrying on their business, either in the way of raising money, in making purchases, or in employing at particular seasons their surplus capital.

"Is the advantage to the party borrowing greater under the system of cash credit than under the system of lending in the ordinary mode?—Infinitely.

"Why?—As to the question of actual pounds, shillings, or pence, paid in the shape of interest, there is, in the first place, this difference, that when he discounts a bill he pays the interest on the sum for three months, if that be the currency of it; should any accidental mercantile transactions throw into this individual's hands, on the next day, the same amount which he had thus received from the banker, he has lost the benefit of the transaction, because he must keep this; if he has a deposit account with the banker he must keep it at banker's interest, while he is anticipated by having paid to the banker three months' discount interest on his bill; if a trader were to take his money systematically by discounts instead of by cash accounts, a disadvantage to him would arise. The same principle applied to small sums; if half or a quarter, or any part of the advance which he may have received upon the cash account comes in to him, he immediately lessens the advance by paying it into the bank, and the interest being calculated at the close of the account, there is a progressive account of interest diminishing with the principal sum till it is extinguished. So far as to actual benefit of interest; but the convenience of getting money when wanted, affords a very material advantage, independent of the actual benefit.

"What are the facilities that exist in obtaining this sort of advantage, compared with those of obtaining an ordinary loan?—When a person applies for a cash account, which is not an immediate advance of money on the part of the bank, but a

conferring of the power or privilege of drawing upon the bank to the extent specified, the person proposes two or more personal sureties: a bond is made out, and he draws as occasion requires. In this way he has never more from the bank than is absolutely necessary for the purposes of his business. The account is never recalled, unless it has ceased to be beneficial to the bank, by having been but little operated upon, and thus not having promoted the circulation of the bank's notes. Whenever it becomes a dead advance, the bank calls it up. In the case of a person obtaining a loan, he would probably in the first place, have to pay the interest down at once; he would have to pay it upon the whole sum, whether he should require it ultimately or not, and it would be liable to be recalled by the lender at his pleasure."

"The person who procures a cash credit, does so upon the security of two or three substantial individuals. He may be a man of little property, but upon that security he gets a credit, perhaps of £500; his bill to any thing like that amount, without those securities, would not be discounted.

"After the permanent credit is given, the option of using it lies solely with the borrower, not with the bank, as does also the option of the period of repayment.

"If a small trader borrow of an individual (not a banker) £100, that individual would not be disposed to receive back his money in £5, or £10, or £15,—he would wait till the term expired, when he would receive the whole. When a credit is granted, the individual, perhaps, draws out £50 to-day, and pays in £40 to-morrow, and goes on in that way, always having credit with the bank to the extent originally stipulated.

"The repayment as well as the overdraft is permitted by the bank to be made in small sums piecemeal: so that by attention in his repayment, the borrower saves himself from paying interest on more than the precise advance for which he has occasion at the moment, and can constantly convert to a safe and profitable purpose the money which he may receive in the course of his trade, however small the amount.

"These advantages are steadily and uniformly afforded at all times to the industrious tradesman, or farmer, the merchant, the professional man, and the landlord."

### 3. Cash credits supply capital for carrying on extensive branches of trade, employing the population, and constructing public works.

"Cash credits for small sums enable the poor to be as instrumental, as far as their means go, in increasing the capital of the country as the rich are. For the produce of that industry which cash account credits enable to operate, and of that capital which they leave at liberty to be employed in trade, goes to increase the real wealth and capital of the country; and a great proportion of the transactions, carried on through the instrumentality of cash accounts, consists of those of the poorer classes.

"I apprehend that those cash credits have enabled a large number of manufacturers to carry on business, and to employ the population of the country, who, if they had not such credits, could not have carried on such business, nor employed such population.

"Cash credits are granted to almost all descriptions of persons throughout the country. Every young man who has a prospect of success on entering life, applies for a cash credit. A great many gentlemen have cash credits, and a great many farmers. There is hardly any public work undertaken in Scotland that the first object is not to apply for a cash credit, to carry it on to advantage. All the roads in Scotland are managed by Parliamentary trustees; and I believe there is hardly any one of those sets of trustees which have not cash accounts for the purpose of carrying on their operations. I am sure many of the most important public works in Scotland would not have been carried on, or certainly not with the same advantage, but for the credits they obtain from the banks."

### 4. Cash credits prevent large manufacturers setting up as bankers, and thus they exclude those evils which in other countries have resulted from the failure of private banks.

"When the system is applied to the case of large manufacturers, employing hundreds or thousands of workmen, and possessing a cash credit to a proportionate amount, upon sufficient security, one obvious effect is, that the temptation is removed from the manufacturer, of attempting to issue notes, and becoming himself a banker,

an error or temptation which, if what is said is true, has been the main cause of the institution of many insufficient English bankers, whose partners, from being good traders, became bad bankers, and brought upon their own district the distress which bad banking sooner or later always produces.<sup>6</sup>

5. Cash credits have a considerable moral influence upon the habits and character of the people.

"The security afforded to a bank by its debtor, or rather its customer, on a cash credit, is by bond, with two sureties at the least, — occasionally there are not two sureties, but frequently many more; the practical effect of which is, that the sureties do, in a greater or less degree, keep an attentive eye upon the future transactions and character of the person for whom they have thus pledged themselves. And it is, perhaps, difficult for those who are not intimately acquainted with it to conceive the moral check which is afforded upon the conduct of the members of a great trading community, who are thus directly interested in the integrity, prudence, and success of each other. It rarely, indeed, if ever, happens that banks suffer loss by small cash credits.

"This system has a great effect upon the moral habits of the people, because those who are securities feel an interest in watching over their conduct, and if they find they are misconducting themselves, they become apprehensive of being brought into risk and loss from having become their securities, and if they find they are so misconducting themselves, they withdraw the security.

"Sometimes cash credits are recalled from the interference of the securities. They have the power of knowing from the bank at any time the state of the account, and the operations upon it; and if, from that, or from other circumstances, they have been led to think less favorably of the person for whom they gave the security, they can immediately cease to allow that account to be further operated upon."

The Report of the Committee of the House of Lords contains the following observations upon the effects of cash credits : —

"There is also one part of their system which is stated by all the witnesses, (and in the opinion of the committee very justly stated,) to have had the best effects upon the people of Scotland, and particularly upon the middling and poorer classes of society, in producing and encouraging habits of frugality and industry. The practice referred to is that of cash credits. Any person who applies to a bank for a cash credit, is called upon to produce two or more competent securities, who are jointly bound; and after a full inquiry into the character of the applicant, the nature of his business, and the sufficiency of his securities, he is allowed to open a credit, and to draw upon the bank for the whole of its amount, or for such part as his daily transactions may require. To the credit of this account he pays in such sums as he may not have occasion to use, and interest is charged or credited upon the daily balance, as the case may be. From the facility which these cash credits give to all the small transactions of the country, and from the opportunities which they afford to persons who begin business with little or no capital but their character, to employ profitably the minuted products of their industry, it cannot be doubted that the most important advantages are derived from the whole community."

As by cash credits the banks render themselves liable to be called upon at a moment's notice for the amount of the credit granted, it is natural to suppose that they contemplate some advantage in return. The advantage contemplated is the circulation of their notes. It is not intended that the cash credit shall be a dead loan of capital. It is expected that there shall be a perpetual paying in and drawing out of money, and the smaller the denomination of the notes drawn out, the more advantageous is the account to the bank. Manufacturers, who pay away large sums every week in wages, linen buyers and cattle dealers, millers and provision merchants, who make their purchases in small sums, and generally

all those who have quick returns of money passing through their hands, have the means of making a cash credit profitable to the bank. On this subject, I again quote the evidence : —

"To secure to the bank the advantages of circulation, which is to make it worth while to afford these facilities at so little expense to their customers, he, on his part, is to lose no opportunity of bringing to the bank, and thus withdrawing from circulation, the notes of every rival bank which comes into his hands in the course of his transactions; or of paying away, and thus introducing into circulation, as many of the notes of the bank as his transactions admit of, always £1 notes if possible. The payments and receipts must be frequent, for in this consists the banker's profit, inasmuch as the payments are uniformly made by him in his own notes, and the receipts are generally, in a very great degree, in the notes of other banks. Thus, supposing a shopkeeper to have a credit for £50 or £100, if his receipts and payments average £5 per day, he may in six months, or 150 days, have placed 750 of his banker's £1 notes in circulation.

"It is quite necessary, in order to render a cash account beneficial, that there should be repeated and continued operations upon it; that the transactions should be numerous; that there should be a continual drawing out and paying in of money; and that, by these means, a circulation of the bank-notes may be promoted; otherwise the account is withdrawn, and the great reason of this is, that these accounts are not intended to form dead loans, but to be productive of circulation to the bank.

"The explanation of the cash credit system is this: — The bank who first opened a cash credit, opened it with an individual shopkeeper. He received payment of his goods in the currency of the country. Previous to that system, he used to put his currency into his drawer, £8 or £10, or whatever it was. If people brought him larger money to pay for his goods, he returned those people change; or if he did not, he kept it until he wanted to purchase for himself. But, after the banker had explained to him what he wished him to do, when the shopkeeper received the currency of the country, instead of putting it into his till, he looked to the banker's shop as his till, and handed it over to the banker, and left his own till with only the change which he could not do without. Then, when he required sums to pay away, instead of taking them from his till, he sent to the bank, and took from it what he required, the banker giving him his own notes. So much of the previous currency was thus removed, and the banker's notes taken in its place. That was the effect of the first operation, when the thing was only in so simple a state that there was only the notes of one bank and a metallic circulation. If you apply the same principle where there are thirty banks, the result would be the same. The amount of the circulation of the country continues the same, but the proportion between its parts vary."

## II. DEPOSITS.

A sum of money deposited or placed in a bank is called a deposit. Some banks grant interest on these deposits; others do not. The London bankers allow no interest on deposits, but the English country bankers usually do. The Scotch banks have carried this practice to the greatest extent; and the deposit system forms a very important branch of the banking system in Scotland.

Those regulations which the banks have established as the rule of their transactions between themselves and the depositors are the following: —

The depositor may place in the bank any amount of money he pleases above £10.

The whole or any part of the deposit may be withdrawn at the pleasure of the depositor without previous notice.

Interest is allowed on the deposit from the day it is lodged in the bank until the day it is drawn out.

The balance of a current account is allowed interest at the same rate as though it were a permanent deposit.

The following are the advantages ascribed to the deposit system : —

1. The system of deposits is advantageous to the lower classes, in providing a place of safety for their deposits, in granting them interest on their savings, in encouraging habits of frugality, and thus often enabling them to advance in society.

“The deposit branch divides itself into two parts : — There is, first, what is called a running account, where the party pays in from day to day the whole surplus funds in his hands, and on which he receives interest. These depositors are, in general, shopkeepers, and merchants, and traders, more particularly in large towns; and in these deposit accounts there is found at their credit at the close of every day, the whole amount of the money for which they have not immediate employment in their trade. The second branch of deposits consists of small sums placed in the hands of the bank at interest, which have been in general the savings of their industry, and which are put into the hands of the bank to accumulate, and on which they may operate not in the way of a running account. They may receive a partial payment whenever they please; and in general these deposits are very seldom removed, excepting when an individual has occasion to build a house or begin business. This class of deposits is distinguished from running accounts by the name of deposit receipts.” (*Lords' Report*, p. 80.)

“What class of the community is it that makes the smaller deposits? — They are generally the laboring classes in towns like Glasgow. In country places, like Perth and Aberdeen, it is from servants and fishermen, and just that class of the community who save from their earnings in mere trifles and small sums till they come to be a bank deposit. There is now a facility for their placing money in the provident banks, who receive money till the deposit amounts to £10. When it amounts to £10, it is equal to the minimum of a bank deposit. The system of banking in Scotland is just an extension of the provident bank system. Half-yearly or yearly these depositors come to the bank, and add the savings of their labor, with the interest that has accrued from the previous half-year or year, to the principal. And in this way it goes on, without being at all reduced, accumulating, till the depositor is able either to buy or build a house, when it comes to be one, two, or three hundred pounds, or till he is able to commence business as a master in the line in which he has hitherto been a servant. A great part of the depositors of the bank are of that description; and a great part of the most thriving of our farmers and manufacturers have risen from such beginnings. And in regard to the deposit receipts, I may just mention what is generally the way in which they are granted. To-day a person from the country appears at the bank, it may be with £20 or £30 or £50. We probably never see him again till that day twelvemonths, but we are sure of seeing him about that very day. If he has £20 in the bank, he may come and say, ‘There are four guineas; you will give a receipt for £25.’ He knows well that the £20 has earned 16s. interest; and I do consider that the four guineas are just the savings of the year. He goes away with his new receipt, and returns on that day twelvemonths; then again it is added to, and thus accumulated, — and so on in many instances throughout the country.” (*Commons' Report*, p. 159.)

2. The system of deposits is advantageous to capitalists in furnishing them with a secure mode of employment of capital, either for a longer or a shorter period, at their pleasure.

“What class of persons form the large and steady depositors in the Scotch banks? — The middling and the lower order of society, industrious poor people, who are saving their money, and small capitalists who have raised a moderate sum of money, upon the interest of which they live.

“Do many persons live upon the interest of their deposits, as far as you know? — Yes; a great many. (*Lords' Report*, p. 165.)

“Do you know whether it is the practice of persons who have small capitals in Scotland, to invest them in the public securities in London, or to deposit them with the

banks in Edinburgh? — I believe, almost universally, to deposit them with a Scotch bank.

"And they live upon the interest of what they so deposit, in the manner as persons here live upon their interest on stock? — Yes; they often look to the permanent capital with a view of leaving it at their death, taking the interest during their lives." (*Commons' Report*, p. 124.)

"The deposit accounts are of two kinds, — one kind from the commercial people who have large sums that they wish to keep in a disposable form, waiting an opportunity of any investment which may occur. Of the operating deposits, there are others who keep the money until a favorable turn in the Stock Exchange enables them to invest it there. And there are others, respectable householders, who keep it for the purposes of their family expenditure. I reckon that these and the sums due upon them average one half of the aggregate amount of a bank's deposits." (*Lords' Report*, p. 183.)

"Have you formed any estimate of the amount of deposits in all the banks in Scotland? — I certainly have been at very great pains to get information upon the subject; and I am satisfied that the amount is considerably above twenty millions, — I should say, twenty-five millions.

"From what class of persons are those deposits chiefly? — Generally from industrious tradesmen, small shopkeepers, varying from £10 to £500. The greatest number of deposits, and the greatest in their aggregate amount, are in small sums.

"Are there not, however, deposits from richer classes, and each of them to a much larger amount? — Certainly, there are deposits from £1,000 to £20,000 and £30,000. (*Ibid.* p. 231.)

"In the spring of 1824, the banks in Scotland began, in some instances, to decline accepting deposits at all. — In the autumn of 1824, the great banks made an express rule that they would not accept more than £5,000 from any one depositor. They allowed 2½ per cent. on the first £3,000, and 2 per cent. upon the remainder of the £5,000, and above that they would not allow any interest. That was the general rule with the great banks at that period. There were many people who preferred leaving their money, though they received little or no interest, to taking it away. That commenced in 1825." (*Ibid.* p. 158.)

3. The system of deposits is advantageous to the country, by augmenting the amount of national capital, by increasing the demand for labor, by granting facilities to trade and commerce, and by removing the temptations to engage in hazardous speculations and foreign investments.

"This system was adopted before the middle of the last century. The rate of interest allowed since then has been regulated by the value of money, and has, of course, fluctuated considerably; but it has ever been such as to afford as high a return to the depositor as has been consistent with the reasonable profit, and of course the security of the bank. The effect of this system has been to encourage and to afford the means of the accumulation of capital among the lower, as well as the higher, orders, by placing within the reach of all, a convenient, safe, and moderately profitable investment of money, and to offer an inducement to capitalists to retain their accumulations in Scotland, notwithstanding the opportunities or temptations which foreign investments might hold out." (*Lords' Report*, p. 175.)

"The system of deposit accounts, I think, is a very great stimulus to the habits of industry, and economy, and frugality, in Scotland. The whole surplus capital of the individual is thus rendered productive.

"Under the system on which you conduct your business, is not the money arising from those deposits issued out, to encourage the further consumption of labor in the country? — Yes.

"It would be a loss, then, to the country, if it was to be removed from the channel in which it is now placed, into this country, on government debentures? — It certainly would.

"Under this system, does not the poor workman gain immediate interest for his saving, whilst the saving is immediately employed, through the bank, in putting a further portion of labor into motion? — Precisely so. It is in this way that the wealth of



those individuals is concentrated, and, through the agency of the bank, is brought to bear in carrying on the business of the country." (*Ibid.* p. 283.)

"Is there not an advantage to the public from the gathering of those small capitals together, forming part of the deposits of the bank, and so being sent out again in large sums, like other capitals, for the purpose of being applied to increase the powers of productive industry? — The Scotch banks form a sort of reservoir for receiving the small sums of capital scattered throughout the community, and then sending them forth into channels of trade, so as to promote the commerce, manufactures, and agriculture of the country." (*Commons' Report*, p. 203.)

"Are you of opinion that if the deposits with the banks of Scotland were considerably lessened, the banks could afford the same accommodation by discounts which they do at present? — I should think that is impossible, because it forms part of their capital. It would diminish the capital which is at present employed in that business, of which discounting forms a great part.

"Would not any such diminution of discount operate injuriously to the general trade of the country? — The want of those discounts must diminish the trade of the country, inasmuch as the manufacturer and merchant receives his money at least three months sooner by discounting their bills, than he could possibly get payment of his account." (*Lords' Report*, p. 266.)

"The system of deposits forms a great part of the funds arising from our banking system. It is a great deposit of money, which is given out to the trade of the country, for the profit of one per cent., for which the bank runs the risk of its business. If that great deposit were withdrawn, and could not be issued with the same degree of safety, I conceive the consequences would be a total derangement of the whole system, and ruin of our country." (*Lords' Report*, p. 235.)

"If the banks are under the necessity of reducing the interest on deposit accounts, the depositors must look about them and find out on what security they can lend their money so as to obtain a higher rate of interest. It would certainly diminish the capital of the trading part of Scotland, inasmuch as the banks would not have it in their power to assist them in trading by discounting, but it might be lent on Government securities or landed property, and the temptation of a higher interest from individuals would, undoubtedly, be a temptation to many, and a temptation that could scarcely be resisted by those whose income depends entirely upon the interest of that lent money, to lend it on personal and doubtful security.

"When the banks reduced their interest some time ago, a great part of the deposits was drawn out, to be invested in various different ways. And, as the depositors did not get from the banks the interest on which they were depending, and did not choose to make a less interest, many of them went into schemes, which have turned out very ruinous to them. It has been one great cause of over-speculation, that the people did not get the interest they had been accustomed to from the banks. They, therefore, drew it out to invest it in joint-stock companies, lent it to builders, or other inferior securities, or became builders themselves." (*Ibid.* p. 250.)

4. The system of deposits is advantageous to the banks, by inducing every person to deposit his money in a bank, by furnishing the banks with capital to carry on their business, and by putting in circulation a large amount of their notes.

"The universal practice at Glasgow is to pay into the bank with which the individual transacts his business, the whole of the notes he has in his possession, or nearly the whole, every day." (*Commons' Report*, p. 50.)

"Unquestionably, the giving of interest upon deposits is an inducement to every person that has any surplus money in his hands, to place it in the hands of his banker. And in the same way in the case of cash accounts, every payment by the holder of a cash account into the bank, either diminishes the interest he has to pay to the bank, or if the account should turn in his favor, enables him to get interest from the bank, and that is a great inducement for every person to pay in daily into his banker's hands all the money which he does not require for the purposes of his business." (*Commons' Report*, p. 201.)

"The means of a bank I conceive to consist of three things: first, capital paid in

its own stock; secondly, the notes which the bank is able to keep afloat in the circle; thirdly, the amount of the deposits." (*Lords' Report*, p. 195.)

"And if the amount of deposits were lessened, in that case their means of issuing money upon discount would be proportionately lessened? — Yes. (*Commons' Report*, p. 150.)

"Every bank constituted as the banks of Scotland are, make advances in two ways, — they make them upon cash credits, and they make them upon the discount of bills. They also borrow in two ways, — they borrow upon deposit receipts, and they borrow also upon accounts current. That is, if a gentleman opens an account, and puts £100 to his credit, and operates upon it, drawing out a part of it, leaving a balance in the hands of the bank, then is there a borrowing to the extent of the balance that is so left. Those accounts we do not allow to be overdrawn, so that the advance is in two ways, and the borrowing in two ways, that is, in two different forms." (*Ibid* p. 180.)

"In the case of small depositors, a considerable part of the profit arising from the deposit of that money is the circulation of the notes. When a depositor withdraws his money from the bank, he receives it in the notes of the bank, and, of course, they go into circulation. As long as they remain out they are a source of profit." (*Commons' Report*, p. 45.)

"The bank issue their notes two ways, — they make advances upon cash accounts, and they make advances upon discounts. They also issue their notes in payments upon accounts current, and also in the re-payment of deposit receipts." (*Lords' Report*, p. 236.)

"The deposit and cash accounts are the instruments for supporting our circulation, and without the continued operations upon the deposits and cash accounts our circulation cannot be maintained." (*Ibid* p. 135.)

### III. REMITTANCES TO INDIA.

Although this branch of banking business is not peculiar to Scotland yet I believe the banks of Glasgow have carried it on to a greater extent than any other banks. This has arisen partly from the more intimate connection that exists between Glasgow and India, and partly from the character of Scotch banking. We refer to the practice of granting bills of exchange to be sent out to India, accompanied by an undertaking to accept them when presented.

To enable our readers to understand distinctly this branch of business, we must give a short description of the banking and commercial operations of India. The business transacted at each of the Presidencies consists of importing British manufactured goods, and exporting the produce of the country, such as cotton, indigo, &c. Some of the merchants who are engaged in these operations act also as bankers. They receive deposits, and allow interest on them, receive dividends on India stock, and make remittances to England. Their business in this way was formerly very extensive, but has recently been much reduced by the establishment of banks all over the country. One part of the business of these mercantile bankers is to advance money on shipments of goods either to England or to China, taking as security the bill of lading and the policy of insurance. Here they often find a powerful competitor in the East India Company; and the mercantile interests, in both India and Glasgow, are desirous of excluding the Company from this kind of business. (See the Evidence taken before the Committee of the House of Commons on Commercial Distress, 1848.)

I cannot better describe the kind of business carried on in India, than

by the following extract of a letter I received about two years ago, in reply to some inquiries I made on the subject:—

“One part of business which the houses used to do largely was advancing on shipment of goods to England and China, and it is still done by Messrs. \_\_\_\_\_ and \_\_\_\_\_. The system is:—A. ships £10,000 worth of goods for England, and takes the bills of lading and policies of insurance to B., who agrees to advance three fourths of the value; the shipping documents are indorsed by A. to B., and A. draws bills on the consignee of the goods in London for the value, in favor of B., payable at six months' sight, and directs him to accept the bills when presented by B.'s London correspondent. As the goods will most probably arrive in London before the bills fall due, the consignee will take them up before the due date, and with the bills receive the shipping documents from B.'s correspondent. Sometimes, however, it may be that A. has no agent in London, and the goods are therefore consigned to B.'s correspondent, who is instructed to sell and remit the proceeds by bills, or with the purchase money of the Indian goods to buy British manufactured goods, and ship them consigned to B. You will easily perceive what large profits could be realized in this way, as commission is charged on the sale of the Indian goods, and purchase of British, and a high rate of interest on the advance until it is paid off.

“The East India Company usually get a portion of the money required for the home expenditure, from India, in this manner. Last month, the government here gave notice, that, in pursuance of instructions from the Court of Directors, it was proposed to provide a sum of £800,000 in India during the remainder of the official year 1846–47, for the service of the East India Company in London, by the purchase of bills of exchange to be secured by the hypothecation of goods. Advances in cash are accordingly made for the purpose by the governments of Bengal, Madras, and Bombay, at the rate of exchange of 2s. per company's rupee; the operation is exactly the same as I have stated in the former case. A. ships goods, and, on the security of the bills of lading, policies of insurance, and his bills on consignees in London, at six months' sight, receives from the government an advance equal to three fourths of the value of the goods; the bills, with the shipping documents attached, are sent to the India House; and in due course accepted by the drawee; on the arrival of the goods the bills are paid, and the goods given up. In the event of the ship arriving, and the bills not being taken up, the goods are then lodged in one of the Dock Company's bonded warehouses. If the bills are dishonored at the due date, the goods are sold to reimburse the East India Company for the advance; this, however, is an extreme case, and could only occur in the event of the bankruptcy of the acceptor.

“With reference to the bills drawn from India, with an engagement on the part of the drawee to accept, in the margin, these bills are obtained from a respectable London house, and sent out to this country for negotiation; but I must have recourse again to my favorite plan of illustrating by an example. A. having credit with a London house, or, if not, lodges security, and obtains bills, with an engagement in the margin to accept, and remits them to B., his correspondent, in India, for the purchase of produce; the drawee being well known, the bills obtain a favorable rate in the market, and B. is enabled to purchase produce, which he ships, consigned to A. in London, who, before the bills fall due, pays them; on paying the London house commission on the amount, the transaction is concluded.

“There is another system, and you very probably may have seen some of the bills in the London market. A., a merchant in New York, proposes to send a ship to China for goods, but unwilling to have his money locked up on board ship for so many months, with the additional risk of loss, he obtains, either on personal or other security, from say Messrs. \_\_\_\_\_'s agent in New York, a letter of credit on the house in London, to honor the bills of the captain or supercargo of the ship. On the arrival of the ship in China, the cargo is purchased and paid for by the bills on Messrs. \_\_\_\_\_, London: the bills are negotiated in China, with the indorsement of \_\_\_\_\_'s agent there, and as soon as A., in New York, receives advice of the same, he remits the amount to London, to meet the bills when they fall due. I inclose you a form of one of these American bills. Sometimes money is sent to India by means of London bankers' bills, and I have seen Messrs. \_\_\_\_\_'s bills offered for sale, but being drawn at short dates, do not obtain such good rates of exchange as might be expected; they are seldom used for commercial purposes, but are

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341

taken by officers of the civil and military services, wishing to make remittances to their families at home. I understand that the Western Bank of Scotland issues bills with an engagement to accept.

"This operation, as far as an exchange operation, of the banks issuing the bills, would not realize a profit sufficient to cover the risk. Suppose the London and Westminster Bank sent out to an agent here its bills at six months' sight, for £20,000 and that the bills are sold at 2s. per rupee; the agent must then remit the rupees (200,000), which he has received, and even admitting that he could obtain good commercial bills at 2 per cent. under that rate, it would scarcely pay his commission on the transaction.

"The usual way in which merchants settle their exchange operations in Bombay, and I believe it is the same all over the East, is by sending a notice to each house, intimating that A. & Co. have £10,000 to draw for on England; A. & Co. are called *sellers*. B & Co. want to remit £5,000 to England, are called *buyers*, and offer for that amount of A. & Co. bills; C. & Co. are also buyers, and offer for £5,000 more, so that the whole transaction is completed; and unless a bank is prepared to buy up all the bills offered for sale, at the same, or a more favorable rate than a merchant can offer, it cannot carry on its exchange operations profitably, the merchants buying and selling among themselves, save all the bankers' charges. This, I imagine, has been the case in all countries before the system of banking operations was clearly understood; and I have no doubt, but that in a short time we shall see all exchange business done by the banks."

## FORMS OF LETTERS OF CREDIT.

To explain further this system, we shall transcribe the form of the bill referred to in the above letter, and also the forms of the bills issued by two banks at Glasgow.

*For First of Exchange.*  
*New York, 7th June, 1842.*  
*To Geo. D. Carter, eastward of the Cape of Good Hope, or holder hereof.*  
*We are duly authorized by Messrs. Palmers, Mackillop, Dent, & Co., London, to engage on their behalf that they will accept the first presented bill of this set of Exchange, at Six Months' Sight, provided this Certificate be presented therewith and delivered to Messrs. Palmers, Mackillop, Dent, & Co., on their acceptance on behalf, Palmers, Mackillop, Dent, & Co.*  
*Davis, Brooks, & Co.*  
 No. 130.  
*New York, 7th June, 1842.*  
*Exchange for £ Ster. 300*  
 2385  
*R.S. & Co.*  
*Six Months after sight of this First of*  
*Exchange (Second and Third unpaid) pay to the order of Davis,*  
*First. Brooks, & Co. Three Hundred Pounds Sterling, value received,*  
*as advised by*  
*Your obedient servant,*  
*GEO. D. CARTER.\**  
 To  
*Messrs. Palmers, Mackillop, Dent, & Co.,*  
*London.*

\* This bill is endorsed, "Pay George D. Carter, or order. — Davis, Brooks, & Co."

No. £  
FOR FIRST OF EXCHANGE.  
WESTERN BANK OF SCOTLAND.  
18

To  
I hereby engage to accept and to pay at Maturity, the first presented Bill of the set of Exchange, of which the annexed is the First, to be drawn by on the Western Bank of Scotland, on or before

at Sixty days' sight, provided this Letter of Credit, as annexed to such Bill, be presented therewith and delivered to me on acceptance thereof.

For the Western Bank of Scotland, Glasgow,  
Manager.

## THIRD OF EXCHANGE.

£  
CLYDESDALE BANK, GLASGOW.

To  
We hereby engage to accept and to pay at maturity the first presented Bill of the set of Exchange of which the annexed is the Third, to be drawn by you on us, on or before the for £ say Sterling, payable in London at a date not less than and not exceeding days' sight, provided this Letter of Credit be delivered to us on acceptance of the annexed Bill.

For the Clydesdale Banking Company.

No. £ 18

Sixty Days after Sight, pay this First of Exchange (Second and Third of same tenor and date unpaid), to the order of at Messrs. Jones, Lloyd, & Co.'s, London, value received as advised.

To the  
Western Bank of Scotland,  
Glasgow.

No.

£ 18

after sight pay this Third of Exchange (First and Second of the same tenor and date unpaid), to the Order of in London Sterling, Value received as advised.  
To

The Bank of England had their attention called to this subject, and consequently issued expressly for remittance to India bank post bills drawn at sixty days' sight. The following account of this arrangement is taken from a city article of the *Times* : —

"Some inquiries having been made as to the origin of the bills at 60 days' sight, drawn by the Bank of England, alluded to the other day, and the mode in which the operation is conducted, the following information may be found acceptable : —

"About the year 1836, the bills of the East India firms had been brought into temporary discredit by some failures which happened at the time, so that these bills did not find ready purchasers in the Bombay market. It was conceived, therefore, that a new sort of paper of unquestionable credit might be introduced into India with advantage, and nothing seemed more fitted for this purpose than bills made by the Bank of England, and payable by themselves. A resolution, passed in April, 1836, authorized the issue of the required paper, and since that time it has been in use.

"And now, with respect to the mode of operation. A party who wishes to remit money to India applies to the bank by filling up the following form, to which a list is attached, and pays (of course at par) for the bills which he takes : —

"To the Cashiers of the Bank of England.

"London, , 18 .

" request to be furnished with the undermentioned bills, at 60 days' sight, in triplicate, amounting to £ , the firsts to be accepted and held by the

Bank of England, for the purpose of being delivered to the holders of the seconds or thirds, whichever may be first presented.'

"The bills so obtained are remitted to India, and have a peculiar advantage, which is expressed by the condition in the form that the 'firsts' are to be accepted and held by the Bank of England. The paper which is drawn by a firm in India on London, is generally made payable at 60 days after sight, but the 60 days do not begin to run till after their acceptance in London. The bank paper, on the contrary, being accepted at once, and held for the purpose of being delivered to the holders of the 'seconds' and 'thirds,' the 60 days begin to run from the date, and the bills are payable immediately on their return to London from India. This advantage and the unquestionable credit of the paper, often enable the holder to dispose of them at a good premium in the India market in certain states of the exchanges, and thus they become, as it were, an article of commerce.

"Notwithstanding the advantages of this paper, it is not so commonly used as it might be imagined. This is attributed to the competition of some of the Scotch banks, who offer an inducement for the circulation of their own paper. The Bank of England pay no interest, treating the 60 days' bill just as they would treat an ordinary note, and have the use of the money paid during all the time that the bill is performing its voyage to India, is finding a customer in the Indian market, — a slow process in some states of the exchanges, — and is returning home. The Scotch firms, on the contrary, allow interest during this time, or a portion of it, and thus the capital of the holder does not lie completely idle. Hence a preference is, in many instances, given to the Scotch firms."

#### IV. REGULATIONS FOR SETTLING THE BANK EXCHANGES AT EDINBURGH.

1. There shall be every Thursday morning an exchange of the notes collected on Monday, Tuesday, and Wednesday; and every Saturday an exchange of the notes collected on Thursday, Friday, and Saturday. The balances struck on Saturday shall, with the Glasgow and country exchange receipts, be settled on Monday. The balances struck on Thursday shall be settled on the same day; and this settlement shall include the country exchange receipts of Wednesday, and the Glasgow exchange receipts of Thursday. The exchange on Saturday shall not be interrupted by holidays; but on these occasions it shall commence at half past nine o'clock A. M. When Monday is a holiday, the settlement shall be made on Tuesday.

2. When exchanges are established in provincial towns, the notes received at the exchanging agencies there must wait for the return of the next local exchange day; and must, under no pretext, be forwarded to meet the exchanges in Edinburgh, or at the other agencies.

3. All payments of balances shall be made in exchequer bills of £ 1,000 each, the thousands of the balance to indicate the number of exchequer bills; it being understood, that Bank of Scotland, Royal Bank, or British Linen Company notes of £ 100 each, or Bank of England notes of £ 100 and upwards, or gold, shall be employed to pay fractional parts of £ 1,000 only.

4. The amount of exchequer bills to be kept in the exchange circle is apportioned as follows:—

Bank of Scotland . . . . .	£ 24,000	Western Bank . . . . .	£ 24,000
Royal Bank . . . . .	24,000	Clydesdale Bank . . . . .	12,000
British Linen Company . . . . .	24,000	Edinburgh & Glasgow Bank . . . . .	12,000
Commercial Bank . . . . .	24,000	City of Glasgow Bank . . . . .	12,000
National Bank . . . . .	24,000		
Union Bank . . . . .	24,000		£ 204,000

5. Exchequer bills put into the circle, to be filled up, payable to the banks which have originally contributed them, and to be blank indorsed when first paid away. They shall be registered before they are put into the circle, in a book kept in the Bank of Scotland for the purpose, and shall bear the distinguishing mark of "Edinburgh Exchange Bill," affixed by the Bank of Scotland, showing that they belong to the Edinburgh exchanges, and are not to be used for any other purpose whatever.

6. All the exchequer bills placed and retained in the exchange circle to bear a uniform rate of interest, and shall be paid and received in the exchanges at their nominal par value, with the interest accrued; and when they are withdrawn, in consequence of being called in, or from an alteration in the rate of interest, a voucher in the form annexed (Schedule A) shall be issued for each exchequer bill by the banks by whom they were provided to pass as such, till replaced by the new bills in course of post after they are issued from the exchequer.

7. As exchequer bills may be expected to accumulate occasionally with some of the banks, while the stock of others is exhausted or becomes low, the parties holding the greatest amount of bills shall be bound to sell to the parties in want of them, who shall, on the other hand, be obliged to buy; but the holders shall not be required to reduce their stock of exchequer bills, by selling below an excess of two thirds over their original quota, unless necessary for the settlements; and parties whose stock of bills is short shall not be required to purchase more than will make up their stock to one third of their original quota.

8. Purchasers of exchequer bills shall buy from parties holding the largest proportional amount, with reference to their original quota, and two thirds more; and the party holding the largest proportion shall have a continued preference in selling to one or more purchasers, until the stock of the selling bank is reduced to two thirds above their original quota, when the next largest proportional holder at the time shall have the preference, and so on.

9. Exchequer bills bought shall be paid for by drafts on London bankers at five days' date; and the purchasers of exchequer bills shall pay, in addition to the principal sums in the bills, the growing interest, at the rate allowed by the exchequer, up to the date of the drafts falling due in London, and shall furnish stamps for the drafts.

10. Transactions in the purchase and sale of exchange bills may be made on either of the settling days in the week, but they shall be made only in the exchange-room, and solely for the settlement of the exchange; and no private transactions of this kind between bank and bank shall be permitted, so that the number of exchequer bills in the hands of any one party after the exchanges are so settled shall be the number returned on the next exchange day.

11. In the event of any exchange draft being dishonored, without prompt and most satisfactory explanation of the cause, the bank issuing such draft shall be immediately excluded from the clearing-room, and their notes shall be refused in all future transactions with the public.

12. The exchanges shall be made alternately; on Thursdays in the Bank of Scotland, and on Saturdays (with the relative settlement on Mondays) in the Royal Bank; and these banks will undertake to receive from the banks which are debtors, and to pay to the banks which are creditors in the exchanges, the exchequer bills, Bank of England and other notes, and gold, which are passed in payment of the balances; but the Bank of Scotland and the Royal Bank shall not, nor shall either of them, be in any way responsible for the exchange transactions, nor otherwise soever.

13. The clerks of the different banks shall appear in the clearing-room at ten o'clock A. M. on Thursdays and Saturdays, and, before the exchange operations commence, they shall write down, on the board allotted for the purpose, the amount of exchequer bills held by the banks they represent; and after the balances are struck and ascertained on the settling days, they shall mark on the same board the exchequer bills which will be in their hands after the balances are settled by the Bank of Scotland and Royal Bank; and this is to be considered the number on which all transactions in the purchase and sale of exchequer bills for that day shall be founded.

14. After the balances are struck on Thursdays and Mondays, statements of the same shall be conveyed to the respective banks by their own clerks, who shall afterwards attend in the clearing-room, to pay and receive the balances due, at half-past eleven o'clock on Mondays, and at half-past three o'clock on Thursdays, after the vouchers of the balances of the Glasgow exchange of that day are received. These are to be conveyed, by a special messenger, from the Glasgow banks of issue alternately, and to be delivered by him personally at the banks to whom they are addressed in Edinburgh.

15. The British Linen Company having, from a desire to promote the general convenience, consented to forego the advantage they have hitherto enjoyed of making their whole exchanges with banks junior to themselves within their own office, no certified statements of their separate exchanges will henceforth be necessary.

16. The seventh and eighth regulations will tend, in a great degree, to equalize the

amount of exchequer bills among the different banks; but as it may possibly happen, notwithstanding, from some peculiar state of the exchanges, that exchequer bills may accumulate in the hands of one bank to a considerable amount beyond its quota and two thirds more, without the power of sale to any other bank, according to the above regulations, then that bank, when the amount on hand exceeds fifty-seven, may require the bank holding the fewest number, although not under one third of their quota, to purchase up to their quota, and so on to the next lowest, until the stock of the selling bank shall be reduced to the original quota and two thirds more.

17. The annexed Schedule will be the guide to distinguish the extreme points, in terms of the seventh and eighth regulations, at which sales and purchases of exchequer bills are to proceed.

18. All the exchanging banks shall have free access, at such times as may be convenient, to the record of the exchange transactions.

19. The subscribers, having framed these regulations with the view to keep the circulation of Scotland in a sound state, as well as to give facility in the settlement of their balance of notes issued in the fair way of business, and being of opinion that it is discreditable in a bank of issue to force its notes into circulation, by exchanging them for other notes in the circle, they resolve to check and discourage any such irregular issues by every means in their power.

20. It is further understood and agreed, in consideration of the circulation of each bank (other than what may be issued against gold and silver coin) being fixed and limited, by the Act 8 & 9 Vict. c. 38, that the banks shall bring to the exchange-room regularly, at their head office and agencies, all the exchangeable notes which they receive, and that under no circumstances shall any bank issue the notes of another bank of issue in Scotland without permission first asked and obtained.

21. The parties to this agreement shall be entitled to withdraw from it, and to receive back their exchequer bills at their par value, with accruing interest, on giving three months' notice.

*Edinburgh, Feb. 16, 1846.*

ALEX. BLAIR, for the Bank of Scotland.

ROBERT SYM WILSON, for the Royal Bank of Scotland.

THO. CORRIE, for the British Linen Company.

ROBERT PAUL, for the Commercial Bank of Scotland.

GEORGE CROSBIE, for the National Bank of Scotland.

SAM<sup>l</sup> HAY, Cashier, for the Union Bank of Scotland.

PETER RAMSAY, for the Western Bank of Scotland.

WILLIAM FLEMING, Manager, Edinburgh, for the Clydesdale Bank.

ARCH. BONAR, for the Edinburgh & Glasgow Bank.

ROBERT BELL, for the City of Glasgow Bank.

## VI. — *Exchange Banks, and Exchange Companies.\**

As these institutions exist only in Scotland, they may fairly be classed among the banks of Scotland. At the period they originated I wrote the following letter to the late Patrick Maxwell Stewart, Esq., M. P. for Renfrewshire, who had asked my opinion on the subject. This letter was afterwards published in the *Railway Herald*.

"In compliance with your request, I will now give you my notions respecting the new Exchange Banks recently formed in Scotland.

1. A division of labor among banking institutions is by no means a new idea. There is scarcely any bank that carries on every branch of the bu-

\* *Note by American Publisher.* — Those who are curious as to the system of the Exchange Bank System of Scotland, and the recent failure of these banks, are referred to the Bankers' Magazine, published at Boston, pp. 249-251, and 298-301, in which the able views of the London Atlas and the London Bankers' Magazine are fully given upon this subject.



siness of banking. The dealing in foreign exchanges, which forms so large a portion of the business of Continental bankers, is quite unknown to English bankers; it is confined to merchants, or to large moneyed houses, like the Messrs. Rothschild. In London, the West-end bankers, as Messrs. Coutts and Messrs. Drummond, do not discount commercial bills, but confine their advances to mortgages, as their connections lie chiefly among the aristocracy; while the city bankers look on mortgages with horror, and make their advances by the discount of bills and short loans on personal security. Loan Banks, or Monts de Pieté, have been in existence for several centuries as a distinct branch of business, and loan societies are now sanctioned with us by Act of Parliament. Some London bankers do not take the agency of country banks, while the agency of colonial and foreign banks is often taken by mercantile houses, who carry on no other part of the business of bankers. I might add to these illustrations, but these are enough to show that division of labor among banking institutions is accordant with every-day practice, and therefore the new exchange banks, in marking out for themselves a particular line of conduct, cannot be charged with any deviation from acknowledged principles.

2. But then comes the question, Is the particular department of banking marked out for themselves by the new exchange banks sufficiently extensive to justify the formation of banks for that particular department, and also sufficiently lucrative to justify the anticipation of profit to the shareholders? With regard to the extent, there can be no doubt that, from the formation of railways, and the multiplication of companies of all sorts, those kinds of securities on which commercial banks do not like to make advances are largely on the increase. It is likely, too, that these exchange banks would attract much business in the way of advances on goods, &c., which is now done by brokers or individual capitalists. With regard to profit, it is well known that loans on the kind of security taken by the exchange banks are always charged a higher rate of interest than commercial bills.

3. One reason for the formation of banks to take up this particular line of business is, that it requires a peculiar kind of knowledge in the manager. He must make himself acquainted with certain points of law connected with shares, with the value of all shares in the market, the history and prospects of each company, the law and practice with regard to bonded goods, and other matters that do not usually come under the notice of the manager of a commercial bank, and the knowledge of which he could not readily acquire and maintain without neglecting other matters of, to him, greater importance.

4. Although the rate of interest obtained by the exchange banks will be higher than what is termed the market rate, yet it will be affected by the market rate, and hence I think an exchange bank cannot yield a high dividend to its shareholders, unless it transacts a large amount of business. The only deductions from the interest received must be the expense of the establishment. Every commercial man knows that a large establishment can be conducted with a less *proportional* expense than a small one. To conduct even a small business with safety, an exchange

bank must have a first rate manager; but as the business increases, the same manager transacts the increased business, and the chief increased expense is in the number of clerks. In a large bank the expense may form a small proportion to the profits; in a small bank the expense may equal the profits, or even exceed them. To do a large business, of course an exchange bank must have a large capital.

5. After a while, these exchange banks may obtain funds beyond their own capital. The commercial banks obtain such funds by the issue of notes, the balance of drawing accounts, lodgments on deposits, and the issue of drafts on London and elsewhere. None of these means are adapted for exchange banks, except the lodgments on deposits. After they are better known to the public, perhaps they may be able to receive deposits for three, six, or twelve months certain, on which they may afford to allow higher interest than is allowed by the commercial banks. Possibly some persons may prefer lending to these banks on liberal interest rather than lending on mortgage. Any large extent of this business would, of course, add proportionably to the profits of the bank.

6. I know of no better form of government for an exchange bank than a board of directors and a manager. Commercial banks find a large board useful, as the number of directors exalt the bank in public estimation, and extend its influence, but with an exchange bank a small number of efficient directors would be preferable. But all banks should avoid what are called "managing directors." A manager is selected because he has had a banking education, and has obtained banking experience. Over him are placed two directors, who have had no banking experience. The manager is thus reduced to a clerk, and having neither power nor responsibility, he has no stimulus to exertion. The managing directors being members of the board, their brother directors do not scrutinize their acts so closely as they would the acts of the manager. These other directors thus become ciphers. A bank thus governed resembles a private bank with two partners, with this difference, that the private bankers understand their business, and deal with their own money. The main objects of managing directors are to direct the manager, and to manage the directors. Most of the English joint-stock banks that have gone astray have been either constitutionally or practically governed by managing directors. The great object of the exchange banks should be to manage their affairs prudently; though a large business is essential to good profit, yet they should not attempt a large business with a small capital. Let them get a large paid-up capital first, and the large business will come of course. The main danger to which they are exposed is, that they may attempt to get on too fast.

7. An obstacle to the progress of these banks is the stamp duties on the transfers of shares. I trust these and all other banks and companies will use their influence to get these duties abolished. In political economy, there is no proposition capable of clearer demonstration than that domestic taxes on the transfer of property are pernicious. Our Government seem to have recognized this principle last session in their spontaneous surrender of the auction duties. There is no more reason in laying a tax upon the sale of railway shares than there would be in laying a tax upon the

sale of iron and timber. It will be a happy thing if the formation of exchange banks should have the effect of causing these taxes to be repealed.

You will perceive from what I have written that my opinions are in favor of these exchange banks. Presuming they will be well managed (for without good management no bank can succeed), I think they will be found profitable channels for the employment of capital, and after a while may worthily take their place side by side with the other banking establishments of Scotland."

The following extracts, from a letter addressed in March, 1847, by George Kinnear, Esq., the manager of the Glasgow Commercial Exchange Company, to Alexander Blair, Esq., the treasurer of the Bank of Scotland, point out the difference between the business of those companies and that of the Commercial Banks : —

"The advances of exchange companies are all made, irrespective of commercial credit, on the security of shares in joint-stock companies. Although these shares present the most undeniable and complete security, *they do not present what all prudent bankers understand by a legitimate banking security.* Every banker knows that he might as well devote his funds to lending over land as over shares; that when he does so, he in reality *abstracts his funds from banking*, and to that extent loses his banking power; and that, just in proportion as he does so, he must be prepared to give up his commercial business.

"It is this which has induced prudent bankers, not only in Scotland, but everywhere else, to repudiate such transactions as inconsistent with the prosperity of their commercial business. They do occasionally lend a customer over his shares, as they also occasionally lend a customer over the security of his title deeds, but they regard both as equally foreign to their legitimate business, and are well aware that if they practised either for any length of time they would ruin their legitimate commercial trade."

"The Commercial Exchange Company allows interest at 5 per cent. on deposits for six months certain, and repayable at three months' notice. The Bank of Scotland allows interest at 4 per cent. on deposits repayable at call. I may appeal to any respectable banker, bill broker, or money dealer of any kind, if a difference of one per cent. per annum is too much between money for nine months certain, and money at a moment's notice? I maintain that it is not; and that the extra one per cent. which we pay is justly due on account of the superior character of the article which we receive."

"The whole of the money lent by the Commercial Exchange Company is at the rate of  $6\frac{1}{2}$  per cent. per annum, and is lent for six months at a time. On all six months' paper the Bank of Scotland charge 6 per cent., so that the Commercial Exchange charge only one half per cent. more than the Bank of Scotland. Nor is this half per cent. charged for nothing; as the bank has no trouble in taking bills at six months, while the Exchange Company has the trouble and risk of taking over securities, and of renewing and changing them for the parties as they may desire."

"The Exchange Company allows 5 per cent. for money, and charge  $6\frac{1}{2}$  per cent., making a fixed difference in favor of the company of  $1\frac{1}{2}$  per cent. The Bank of Scotland allows on current accounts  $3\frac{1}{2}$  per cent., on deposit receipts 4 per cent., and charges on bills under four months 5 per cent., and above four months 6 per cent.; making a difference in favor of the bank varying from one per cent. up to  $2\frac{1}{2}$  per cent."

"The directors of the Commercial Exchange Company have allowed to the public 5 per cent. on money deposited with them; and they have done so, although the Bank of Scotland and the Royal Bank only allow 4 per cent."

"If money, repayable on demand, be worth to these banks 4 per cent., it follows as a matter of course, that money for six months certain, and repayable at three months' notice, ought to be worth 5 per cent."

"I beg of you to recollect what class of people it is who are the great majority of depositors. Mostly persons incapable of working, — maiden ladies, widows, and orphans, — people incapable of making the most of their money for themselves, — nay,

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349

most of them, either from their sex or their ignorance of business, hardly capable of judging where their money is safe.

"It is a very great pleasure to me to know that the establishment of the exchange companies has been of great service to this class of persons. Hundreds of persons of moderate means have had their comforts increased, by the increased interest they thus derive from the money, on the produce of which they are obliged to live; and I rejoice to believe, that thousands will yet enjoy similar benefits."

"The exchange companies no more compete with banks than do the river trusts, harbour trusts, railway companies, road trusts, and other public undertakings, who borrow money for lengthened periods. There is, in fact, no possible room for jealousy or competition between banks and exchange companies, for there is no business undertaken by the one which could be accepted of by the other with any safety or propriety. You will yourself acknowledge that the Bank of Scotland could not afford to receive money on deposit for nine months certain at 5 per cent.; and I assure you the Commercial Exchange Company could not afford to give 4 per cent. for money at call."

"We do not, in the smallest degree, injure or interfere with the prosperity of commercial banking; on the contrary, the establishment of exchange companies must have given a very acceptable apology to prudent bankers for declining to make advances to their customers on securities, which (although quite good in themselves) are as foreign to prudent banking as advancing money on mortgage over land."

"What you call evils are in fact great public benefits. First, by conferring substantial advantages on a certain class of depositors; and secondly, by enabling the internal improvements of the country to be carried out with an ease and rapidity which could not otherwise be attained."

The Exchange Banks and Companies that have been formed in Scotland are the following:—

1. The Exchange Bank of Scotland, at Edinburgh.
2. The Commercial Exchange Company, at Glasgow.
3. The Union Exchange Company, at Glasgow.
4. The National Exchange Company, at Glasgow.
5. The Glasgow Exchange Company, at Glasgow.
6. The West of Glasgow Exchange Company, at Glasgow.

1. The Exchange Bank of Scotland. — This bank has a charter under Sir Robert Peel's Act of 1845. Its paid up capital is £ 350,000, and it has about £ 400,000 deposits. It cannot issue notes. In making payments it issues the notes of the City of Glasgow Bank. It has paid a dividend of 6 per cent.

2. The Commercial Exchange Company. — This bank has no charter. It was established before the passing of the Act of 1845, but not registered until after the passing of the Act. It has since registered, and hence the directors consider that they are entitled to carry on business as a bank without a charter. The extracts we have made from the pamphlet of Mr. Kinnear, the manager of this bank, will show the principles on which it is conducted.

3. The Union Exchange Company of Glasgow, does not profess to be a bank at all, and hence avoids the question of a charter. At a special general meeting of shareholders, held in November, 1846, it was resolved "that the word 'banking' be omitted from the name or firm of the Company, as prescribed by the first article of the contract of copartnership, and from the description of companies referred to in the third article of said contract; and that a special declaration be added to the said third clause of the said contract, that it has not been, and does not form any part of

the business of the company to make advances simply on personal security, unaccompanied by the collateral security of real or personal property." Its paid-up capital is about £250,000, on which it has paid a dividend of  $7\frac{1}{2}$  per cent.

4. The National Exchange Company. — This company has been very unsuccessful. It commenced in the year 1845, and got into difficulties at the end of 1847. Their first paid up capital was £210,790. They have since made a call of £2 a share more, on 57,000 shares, to enable them to meet their liabilities.

5. The Glasgow Exchange Company began business in 1847, and wound up creditably in 1848, returning to their shareholders 4s. per share more than they had paid up.

6. The West of Scotland Exchange Investment Company is winding up its affairs, and is expected to return to its shareholders nearly the whole of its paid-up capital, — about £120,000.

The losses that have fallen upon exchange companies seem to have arisen mainly from the great reduction that has taken place in the price of railway shares. The following observations of the directors of the Glasgow Exchange Company, with reference to the prosecution of their business, appear very just and impartial : —

"The directors will first state the negative view of the question. From the nature of the transactions which form the general business of exchange companies, their success depends chiefly upon a high state of the prosperity of the country, and particularly of railway enterprise. The main object of nearly all who enter into such transactions is to realize the benefits of an expected augmentation of the value of the stock; the business, therefore, is necessarily attended with risk, and though that risk may be guarded by what appears an ample margin, recent experience has shown that this has not been a sufficient precaution.

"The directors' short experience may not give much weight to their opinion; but it appears to them to be essential to the profitable management of the company's business, that it should possess, in addition to its own capital, a considerable amount of money in loans from the public. The employment of such money is the chief source of the profit of banking companies, and this advantage is still more required by exchange companies. To command a share of such loans, this company must possess the confidence of the public: what might tend to infuse this confidence would be a large paid-up capital; but although this would be quite requisite, if the business is to be carried on, yet it is doubtful how far it would remove the strong prejudice which has taken possession of the public mind against exchange companies, — a prejudice which is a good deal mixed up with the injurious effects to individual fortunes which recent bankruptcies have disclosed, as arriving out of transactions with exchange companies.

"The directors will now state what has occurred to them in favor of prosecuting the business.

"The magnitude of railway stock in this country is so great, that it may be fairly concluded it will always form a subject of extensive dealings, and that, therefore, there will always be a large field on which business may be cultivated. In ordinary times, the risks attending the business of the company would not be much; and it is not to be expected that a period such as has just been passed, distinguished by extraordinary vicissitudes in the value of public securities, will often occur.

"The prejudice which exists against such companies at present, time may remove, for it does not appear to the directors that the grounds of that prejudice rest on any principle that would not apply to any other joint-stock company; but it is not to be concealed that the existence of this prejudice will be an obstacle, for a time, to the facility of increasing the paid-up capital, and the increase of loans from the public, — both essential to the profitable results of the business."

SECTION VII.—THE BANKS OF IRELAND.

THE last Act of Parliament for regulating banks in Ireland is the 8 & 9 Vict. cap. 37, passed in the year 1845.

This Act recites that by the Act 21 & 22 Geo. III. an act was passed for establishing a bank by the name of the Governor and Company of the Bank of Ireland; and which prohibited any other company consisting of more than six persons to issue notes payable on demand or within any time less than six months. That by the Act 1 & 2 Geo. IV. cap. 72, other companies consisting of more than six partners might issue notes payable on demand, at a greater distance than fifty miles (Irish) from London. And that by 6 Geo. IV. cap. 42, and 1 Wm. IV. cap. 32, such co-partnerships of bankers might transact certain matters of business by agents in Dublin, including the payment though not the issue of notes.

The Act further recites that the Bank of Ireland had at various times advanced for the public service, the several sums of £ 600,000, £ 500,000 and £ 1,250,000 late Irish currency; and that by the 48 Geo. III. cap. 103, the charter of the Bank of Ireland was extended to the first day of January, 1837,—upon twelve months' notice to be published in the *Dublin Gazette*, and after the repayment of the above-mentioned sums. And that by the Act 1 & 2 Geo. IV. cap. 72, the Bank of Ireland had agreed to advance a further sum of £ 500,000, and the bank was empowered to enlarge their capital to £ 3,000,000; making the total advances £ 2,850,000 late Irish currency, equal to £ 2,630,769 4s. 8d. sterling money of the United Kingdom of Great Britain and Ireland; on which, by the Act 3 & 4 Vict. c. 75, the bank received an annuity from the Government of £ 115,384 12s. 4d. sterling, payable on the 5th of January and 5th of July in each year, redeemable upon six months' notice, to be given after January 1st, 1841, and after payment of the above-mentioned sums.

The Act further recites, that the above annuity of £ 115,384 12s. 4d. has, with the consent of the said governor and company, been reduced to £ 92,076 18s. 5d., being at the rate of 3½ per cent. per annum on the capital sum of £ 2,630,769 4s. 8d., which capital sum shall not be repaid until the expiration of six months' notice, to be given after January 1st, 1855; and that, during such term, the said governor and company shall manage the public debt free of all charge. The company is to continue a corporation, for the purpose of carrying on the business of banking, but not to have any exclusive privileges. The charter to continue until the expiration of twelve months' notice to be given, and published in the *Dublin Gazette*, after January 1st, 1855, and upon repayment of the sums due from the Government to the bank.

The Act removes, from the 6th day of December, 1845, all restrictions upon banks having more than six partners issuing notes and carrying on business in Dublin, and within fifty miles thereof. But no banker shall issue any larger amount of notes than the average amount he had in circulation during the year ending the first day of May, 1845, (which amount shall be certified by the Commissioners of Stamps,) and the

amount of gold and silver coin he may have in his hands, in the proportion of not more than one fourth of silver to that of gold.

In case two banks should unite, the new bank to have the power of issue to the amount of both the united banks. Any bank may arrange with the Bank of Ireland to give up its issue; and in that case the Bank of Ireland may increase its issue to that amount. But the bank that thus contracts shall not afterwards resume its issue. All notes for a fractional part of a pound are prohibited. Each bank issuing notes is required to send to the Stamp-office weekly returns, stating the amount of notes in circulation on each Saturday, distinguishing those below £5; and also the amount of gold and silver coin held at each of the head offices or principal places of issue in Ireland. And from these returns the Commissioners of Stamps and Taxes shall make a monthly return, which shall be published in the *Dublin Gazette*. This monthly average must not exceed the amount certified by the commissioners and the amount of gold and silver on hand.

All banks are required to send a list of their shareholders to the Stamp-office, every year, between the 1st and the 15th of January, to be published in the *Dublin Gazette* before the first day of the succeeding March. All banks, whether they issue notes or not, are entitled to sue and be sued in the name of their public registered officer.

Upon the Act of 1845, for the Regulation of Banks in Ireland, we may observe:—

1. The authorized issue is like that of the banks of Scotland, the average amount of the year ending on the 1st day of May, 1845.

2. If any two banks unite, the new bank may issue to the amount of the circulation of both the united banks. Here the law is the same as that of Scotland, but different from that of England.

3. If any bank gives up its issue, and agrees to issue Bank of Ireland notes, the Bank of Ireland may increase her authorized issue to the full amount of the issue of the bank whose notes are withdrawn. In England, the Bank of England can, in a similar case, issue only to the extent of two thirds of the issue of the bank whose notes are withdrawn. There is no similar provision in the Act referring to Scotland.

4. Another difference may be noticed between Ireland and Scotland. All the notes issued at the branch banks in Scotland are payable only at the head office of the bank that issued them. In Ireland all the notes are legally demandable in gold at the branches where they have been issued. Hence the banks in Ireland must keep some gold at every branch, while the banks in Scotland need not have any gold except at the head office. In both countries, the banks must hold a stock of gold equal to the amount of notes in circulation beyond the authorized issue; and, according to the Act, this gold must be at the head office, or chief place of issue. The gold held at the branches, however necessary for business purposes, is not taken into account in the returns to the Stamp-office. The banks, indeed, return the whole amount of the gold in their possession; and it is this which is published in the newspapers. But the amount held against the excess of authorized issue must be held at the chief office, or other chief places of issue. In the Provincial Bank of Ireland these places are

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353



Cork, Limerick, Dublin, and Belfast. They are desirous of having in addition, Waterford and Sligo. (*Mr. Murray's Evidence, Lords, 4279.*)

The banking institutions of Dublin are the Bank of Ireland, which is a chartered bank, like the Bank of England. It is the Government bank. It issues notes, and has branches in the principal towns throughout Ireland. It has now no exclusive privileges.

The Provincial Bank of Ireland, and the National Bank of Ireland. These are joint-stock banks that issue notes, and have numerous branches. These two banks are governed by boards of directors, who meet in London.

The Hibernian Bank, and the Royal Bank of Ireland. These are joint-stock banks, that do not issue notes, and have no branches, except that the Hibernian Bank has a branch at Drogheda.

The private banks of Messrs. La Touche & Co., Messrs. Ball & Co., and Messrs. Boyle, Low, Pim, & Co.

There are three joint-stock banks at Belfast, all of which issue notes and have branches. They are the Northern Bank, the Belfast Bank, and the Ulster Bank.

There is also a joint-stock bank at Tipperary, which does not issue notes, but has several branches.

#### *The Bank of Ireland.*

In tracing the history of banking we may observe that most public banks have been formed, in the first instance, under the protection of the Government of the state in which they were established. Such was the case with the banks of Venice, Genoa, and Amsterdam; and such, too, was the case with the banks of England, of Scotland, and of Ireland. The former were closely connected with the state, and may properly be called "State Banks"; the latter had peculiar privileges bestowed by charter, and are usually called "Chartered Banks." These privileges may be divided into two classes, those which refer to the proprietors themselves, and those which refer to other parties. The privileges of the first class relate to the amount of capital, the form of government, the number of the directors, and the mode of their nomination, the meeting of the proprietors, and the specification of the branches of business the bank are allowed to carry on. The privileges of the second class refer to the restricted liability of the shareholders, and the prohibition of other parties carrying on the same business.

If the charters granted to banking companies referred only to the first class of privileges, they would be liable to but little objection. In the infancy of commerce and of banking, the assistance of the government may with propriety be granted to encourage the formation of institutions, so eminently calculated to promote the public advantage. But of what avail are prohibitory clauses? If no other persons are disposed to form similar institutions, then those prohibitions are a nullity. But if other parties are disposed to form similar companies, without the assistance of the Government, then why should the Government interfere at all? Why should they grant a charter to effect an object which can be effected without their assistance?



In the charter first granted to the Bank of England in 1694, there was no prohibitory clause. But when the charter was renewed in 1708, it was enacted that no other company formed of more than six persons should carry on the business of banking in England. The charter granted to the Bank of Scotland, in 1695, contained the following prohibition,—"That for the period of twenty-one years from the 17th of July 1695, it should not be lawful for any other persons to set up a distinct company or bank within the kingdom of Scotland." This privilege was not renewed after the expiration of the twenty-one years; and in the year 1727, a charter, without any prohibitions, was also granted to the Royal Bank of Scotland. In the year 1746, the British Linen Company was formed, and carried on the business of banking as a joint-stock company. Subsequently this bank also obtained a charter, but without any exclusive privilege. Hence Scotland has had the advantage of chartered banks, and joint-stock banks, and private banks, all working well together without producing those effects which in this country have followed the prohibitory clauses of the charter of the Bank of England.

Both in its constitution and government the Bank of Ireland closely imitated the Bank of England; and it has produced in Ireland most of the advantages and evils which that establishment has produced in this country. It has supplied the country with a currency of undoubted solidity; it has supported public credit, it has granted facilities to trade, and it has assisted the financial operations of the Government. On the other hand, its prohibitory clause necessarily led to the formation of many private banks, whose failure was the cause of immense wretchedness to all classes of the population.

The charter of the Bank of Ireland contained a clause, which prevented more than six persons forming themselves into a company to carry on the business of banking in Ireland. In the year 1824, they surrendered this exclusive privilege, as far as regard those places which are situated at a greater distance than fifty Irish miles from Dublin; and in 1826, the Bank of England made a similar surrender, with regard to places at a greater distance than sixty-five miles from London. As eleven Irish miles are equal to fourteen English miles, fifty Irish miles are equal to about sixty-five English miles. But it must be observed, that Dublin is situated on the sea-coast, therefore, the Bank of Ireland had only the monopoly of a semicircle, whose radius is fifty Irish miles. But London, being situated inland, the Bank of England had the monopoly of a whole circle of 130 English miles in diameter.

The Bank of Ireland was established by an Act of Parliament passed in 1782, 21 & 22 Geo. III. cap. 16. The following are the provisions of this Act:—

The capital was £ 600,000, which was lent to Government at 4 per cent. No one person was permitted to subscribe more than £ 10,000. If the bank incurred debts to a greater amount than their capital, the subscribers were answerable in their private capacity to the creditors in proportion to their subscriptions. The bank were not either to borrow or to lend money at a higher interest than 5 per cent., nor to engage in any business but banking. The stock to be transferable, and deemed

personal estate, and as such to go to the executors of the holders, and not to their heirs. No transfer of bank stock to be valid, unless registered in the bank books, in seven days from the contract, and actually transferred in fourteen days; the charter to expire at twelve months' notice after the 1st day of January, 1794, and repayment of all sums due by the Government to the bank.

The charter is dated May 15, 1783, and contains as follows:—Such persons as should subscribe before January 1, 1784, the sum of £ 600,000 were to be formed into a corporation, to be styled the Governor and Company of the Bank of Ireland; the corporation were to have a governor, deputy-governor, and fifteen directors; which governor, deputy-governor, and directors, or any eight or more of them, shall be called a Court of Directors, for the management of the affairs of the corporation.

Fifteen directors shall be chosen annually, between March 25 and April 25 in each year, and not above two thirds of the directors of the preceding year to be reelected.

The notice for the meeting of general courts of proprietors to be affixed upon the Royal Exchange in Dublin at least two days before the time of meeting. The qualification for a voter at a general court shall be £ 500 stock, to be held for six months preceding, unless it came by will, marriage, &c. The qualification for Governor shall be £ 4,000 stock, and for deputy-governor £ 3,000, and for director £ 2,000.

No dividend shall at any time be made by the said governor and company, save only out of the interest, profit, or produce, arising by or out of the said capital, stock or fund, or by such dealing, buying, or selling, as is allowed by the said Act of Parliament; nor without the consent of the members of the said corporation, in a general court qualified to vote as aforesaid.

The governor or deputy-governor shall summon four general courts at least in every year. One in the month of September, one in December, one in April, and another in July.

The governor or deputy-governor shall also summon a general court, whenever requested to do so by nine members, each holding £ 500 stock.

If governor and deputy-governor be absent one hour after the usual time of proceeding, at any general court or court of directors, a chairman shall be chosen for that time only, who shall have like privileges as the governor or deputy-governor.

Governor, deputy-governor, or chairman, not to vote in general courts, or court of directors, save when there shall happen to be an equal number of votes on each side.

The Bank of Ireland commenced business at St. Mary's Abbey, June 25, 1783. After the Union, its office was removed to the Parliament House.

In the year 1821, the capital of the Bank of Ireland was increased from £ 2,500,000 to £ 3,000,000 Irish currency. The additional £ 500,000 was taken from the bank's surplus fund, and lent to the Government at 4 per cent., to be repaid by the 1st of January, 1838. The increased capital was divided among the proprietors, at the rate of £ 20 for every £ 100 they possessed. In consideration of this increase of capital, the bank

consented to a clause in this Act, whereby persons in partnership, residing fifty miles from Dublin, might carry on the business of banking, although such partnership might consist of more than six partners; but that such partnership should possess no other privilege than being allowed to sue and be sued in the name of a public officer, should Parliament hereafter think fit to grant such a power. This privilege was of little practical use, for, according to the construction put upon the Act, it required that all the partners in these banks should reside in Ireland.

In this year an Act was passed (5 Geo. IV. cap. 73) "to relieve bankers in Ireland from certain restraints imposed by the provisions of the 29 Geo. II., and to render all and each of the members of certain copartnerships of bankers, which may be established, liable to the engagements of such copartnerships, and to enable such copartnerships to sue and be sued in the name of their public officer."

Those clauses in the former Act that required the names of all the partners to be subscribed to the notes, and which prohibited bankers being traders, are by this Act repealed. Banking partnerships exceeding six persons, and carrying on business at any place beyond fifty miles from Dublin, shall be registered at the Stamp-office, Dublin; and also the names of the public officers, in whose name such partnerships sue and are sued. The names of those public officers were also required to be subscribed to all notes and receipts issued by the company. Judgments against the public officers to operate as judgment against the partnership, and execution upon judgment may be issued against any member of the society, and the public officer to be saved harmless.

In the year 1825 was passed the "Act for the better regulation of copartnerships of certain bankers in Ireland." It was obtained by the directors of the Provincial Bank of Ireland, as the Acts previously granted did not furnish the facilities which the Provincial Bank required for the beneficial exercise of its operations. It confirmed the permission granted by former Acts to establish joint-stock banks at a greater distance than fifty miles from Dublin, and permitted persons resident in Great Britain to become shareholders in such banks. The banks were required to register at the Stamp-office in Dublin an account of the names of the firms, the several partners therein, and the public officers thereof. The partnerships shall sue and be sued in the name of their public officers. Parties obtaining judgments in Ireland may authorize the acknowledgment of like judgment in Great Britain; and, in like manner, parties obtaining judgment in Great Britain may proceed thereon in Ireland. Judgments against public officers shall operate against the society, and execution upon judgment may be issued against any member of the copartnership. All transfer of shares must be registered at the Stamp-office.

In this year, too, an Act of Parliament was passed to assimilate the currency of Ireland to that of England. It is entitled, "An Act to provide for the assimilation of the currency and moneys of account throughout the United Kingdom of Great Britain and Ireland." (6 Geo. IV. cap. 79.) The Act recites, that the pound sterling in Great Britain and Ireland respectively is divided into twenty shillings, and the shilling into twelve pence; but the silver coin which represents a shilling in Great

Britain is paid and accepted in Ireland for thirteen pence, and the pound sterling of Great Britain is, at the par of exchange, paid and accepted for one pound one shilling and eight pence of the currency of Ireland; and that great complexity of accounts, and other inconveniences, arise from the said difference of currencies. It then enacts, that the currency of Great Britain shall be the currency of the United Kingdom, and all receipts, payments, contracts, and dealings, shall be made in such currency. And all contracts, debts, &c., made or contracted previous to the commencement of this Act shall be carried into effect, and satisfied by payment in British currency of 12-13ths of the amount according to Irish currency. All duties and public revenues, and all funds and public debts, shall be estimated in British currency, and the accounts thereof kept accordingly. After a day to be named by proclamation, British silver and gold coins shall be current in Ireland at the same rate of pence as in Great Britain. On the like proclamation, Irish copper coin shall be brought into the Bank of Ireland, and exchanged there for British copper coin, at the rate of twelve pence British for thirteen pence Irish, and the Irish copper coin shall cease to circulate. Bankers' notes shall be made payable in British currency. No notes payable in Irish currency shall be re-issued after the commencement of this Act, under a penalty of £ 50 for each offence. Bankers may deliver into the Stamp-office re-issuable notes, payable in Irish currency, and receive in lieu thereof new stamps to the whole amount of the stamps delivered up, if dated within one year previous, or three fourths if within two years, and one half if within three years. This Act came into operation on the 5th day of January, 1826.

Very ample returns of the state of the Bank of Ireland are published in the Appendix attached to the Reports of the Parliamentary Committees. The following is that of the latest date :—

12TH FEBRUARY, 1848.					
Circulation:—		£	£	Securities:—	
£ 5 and above,		1,867,300		Public,	£ 3,735,800
Under,		1,232,900		Private, viz.	
			3,100,200	Notes and Bills	
				discounted, .	2,605,400
Deposits:—				All other Private	
Public,		1,336,600		Securities, .	536,900
Private and Sun-					3,142,300
dry Balances, .		2,160,500		Specie, . . . .	808,500
			3,497,100		
			6,597,300		7,686,600

This account includes the bank and the branches. The circulation of the branches was :—£ 5 and above, £ 769,800 ; under £ 5, £ 855,500 ; making a total of £ 1,625,300. The deposits at the branches amounted to £ 564,800, and the bills under discount to £ 1,852,000.

The Bank of Ireland has branches at the following places :—

Armagh,	Drogheda,	Longford,	Tullamore,
Ballinasloe,	Dundalk,	Maryborough,	Waterford,
Belfast,	Galway,	New Ross,	Westport,
Carlow,	Kilkenny,	Newry,	Wexford,
Clonmel,	Limerick,	Sligo,	Youghal.
Cork,	Londonderry,	Tralee,	

*The Provincial Bank of Ireland.*

Public banks may be divided into three classes: first, Chartered Banks, those which have received a charter from the crown; secondly, Joint-stock Banks, formed under the common law; and, thirdly, Joint-stock Banks, formed under the statute law.

The common law of England allowed any number of persons to form themselves into a partnership to carry on banking. At the same time, it presented this inconvenience in the formation of such partnerships, — in all actions at law, it was necessary to state the names of all the individuals who composed the company. Another inconvenience of partnerships formed under the common law was, that all the partners were answerable for the debts of the company, to the full extent of their property, not only while they were partners, but after they had ceased to be partners, as far as regards any transactions that took place during the continuance of their partnership. The banks avoided these inconveniences, in the first place, by conducting their business in the names of trustees, in the same way as some of the insurance companies; and in the second place, by inserting a clause in the deed of settlement, that in case the bank should lose one third or one fourth the amount of its paid-up capital, it should immediately be dissolved.

The statutes 6 Geo. IV. c. 42, with reference to Ireland, and 7 Geo. IV. c. 46, with reference to England, not only repealed those Acts of Parliament which prohibited the formation of banking companies having more than six partners, but they also removed the inconveniences of the common law. It was enacted, that it should no longer be necessary, in legal actions, that the names of all the partners should be placed upon the record; but that the company should register at the Stamp-office the name of some one person in whose name they wished to sue and be sued. Any party who had a disputed claim upon the company must sue this public officer, and when he had obtained a verdict in his favor, he might issue judgment against all the partners, in the same way as though he had obtained a verdict against them all. And, that he might have no difficulty in ascertaining who were or were not partners, it was required that the names of all the partners should be annually registered at the Stamp-office. The statute law also obviated the second inconvenience of the common law, by enacting that every partner, as soon as he had transferred his share, should be released from all liability as to the subsequent act of the company, and at the end of three years he was no longer liable for any acts that took place even at the time he was a partner.

The Provincial Bank of Ireland was formed under the statute of 6 Geo. IV. c. 42. Few banks have in so short a time advanced to so high a degree of prosperity. The circumstances of Ireland at that period were friendly to the growth of such an establishment. The recent abolition of the union duties, and the introduction of steamboats, had given a stimulus to the trade between the two countries, while nearly all the banks in the south of Ireland had been swept as by a whirlwind from the face of the land. The operations of the bank were also facilitated by the assimilation of the currency, and the measures taken by the Government and

the Bank of Ireland to prevent these fluctuations in the exchanges which had previously existed. But the prosperity of this bank must be attributed chiefly to the wisdom and prudence manifested in its constitution and in its subsequent government. The capital was raised chiefly in England, and London was, consequently, made the seat of government. The board of directors was composed of merchants and statesmen, and the latter were taken from the leading men of the two parties into which Ireland was then divided. The local government of the respective branches in Ireland was composed of directors possessing local knowledge and influence, and of managers selected for their experience in banking, and the manager had a veto upon the decision of the board. An inspector was appointed to visit the branches, and to report to the London office.

At the same time, the bank had considerable difficulties to contend against. Property in Ireland was considered insecure; political and religious feelings often interfered with matters of business; the habits of the people were not commercial; and the country had suffered so severely from private banking, that confidence was not easily acquired for a new company, the members and constitution of which were but imperfectly known. Before these difficulties had been completely overcome, the bank became involved in a competition with branches of the Bank of Ireland, and exposed to sudden demands for gold arising out of political events.

The object of the bank is thus stated in the original prospectus:—

"The bank to have a capital of £ 2,000,000, if necessary, subscribed in shares of £ 100 each. To have a board of directors in London, and establishments for business in the principal towns of Ireland which are distant above fifty miles from Dublin. At each of these places, a part of its stock to be subscribed, and from the stockholders a local board of directors to be chosen. The establishments to be managed by steady, experienced persons sent from England, with the advice and under the inspection of the local directors, but subject to the entire control of the London board, to whom accounts shall be regularly transmitted."

The first report, delivered by the directors to the shareholders in May, 1826, stated that the bank had the following nine branches:—

<i>Opened.</i>		<i>Opened.</i>	
Cork, . . . . .	Sept. 1, 1825	Wexford, . . . . .	Feb. 27, 1826
Limerick, . . . . .	Nov. 1, 1825	Belfast, . . . . .	Mar. 1, 1826
Clonmel, . . . . .	Nov. 15, 1825	Waterford, . . . . .	May 1, 1826
Londonderry, . . . . .	Dec. 12, 1825	Galway, . . . . .	May 1, 1826
Sligo, . . . . .	Feb. 20, 1826		

The state of banking in Ireland at the time the Provincial Bank was formed is thus described in their Eleventh Annual Report, delivered in May, 1836:—

"To show the progress of that competition, it may be sufficient to state, that prior to 1825, when the Act 6 Geo. IV. c. 42 was passed, under which the Provincial Bank was established, the Bank of Ireland had no establishment out of Dublin.

"That in Dublin itself there were only four more, and these private banks; and that in all Ireland besides there were no other than private banks, and these only in Belfast, Cork, Wexford, and Mallow.

"From 1825 to 1834, banking offices in the chief cities and towns of Ireland had



been gradually established by the Provincial Bank, the Bank of Ireland, the Northern and the Belfast Banks, to the number of about fifty; while, within the short space of the last two years, the offices of joint-stock banks having resident managers or agents beyond fifty miles from Dublin, added to the branches of the Bank of Ireland, have increased to upwards of 120, and appear to be daily augmenting in number; besides which, there are a great variety of stations attended on market-days by non-resident agents, on behalf of one or other of such banks; and, in addition to all these, several establishments, on a large scale, have been lately announced in Dublin as in connection with some of the joint-stock banks most recently formed in the provinces.

"The directors cannot, however, regard this unexampled rapidity of increase in the number of banks as a certain indication of prosperity. Amidst the excitement arising out of this state of things, they have considered it to be their duty to impress upon all their local directors and managers the necessity of increased caution and vigilance, and to warn them of the extreme danger of entering upon a race of competition, in which those who engage in it are too apt to overlook what is essential to their own safety."

There is no joint-stock bank of whose rise and progress we have a more detailed account than the Provincial Bank of Ireland. This account is furnished to us in the evidence given to a Committee of the House of Commons, by the late secretary, Mr. James Marshall. We recommend the following quotations to the especial consideration of students in practical banking, as showing most minutely the various steps by which prosperity is obtained by banking institutions:—

#### 1.—*The Constitution of the Provincial Bank of Ireland.*

"Can you explain to the committee the constitution of the Provincial Bank?—I can. I may make reference to the annual reports of the institution, of which, I understand, copies were furnished to this committee; a report is made to the proprietors on the third Thursday of May in each year.

"By whom is that report prepared?—By a special committee.

"A committee of the board of directors?—A committee of the board of directors, whom it is my duty to attend on such occasions, and to be their organ in acting as the clerk of that committee.

"When that sub-committee has prepared the report, what further step is then taken? It is submitted then to the general court of directors.

"Is it examined by them?—By the general court; it is laid before them, and every part of it is explained to them; and they have it in their power to examine any part, to refer instantly to the books, or the source from which it is drawn. The committee in making it up go very minutely to work, and examine very particularly.

"Then are the committee to understand, that before the report is laid before the proprietors, that report is first submitted to a select committee, reported by them to the general court, and approved of by the general court?—It is; it is, in the first instance, signed by the chairman of the committee, when presented to the general court.

"When laid before the proprietors, is it laid before the proprietors on the responsibility of the court of directors?—Completely so."

"Just confine yourself at present to the constitution of the bank. 'It may be here proper to state, for the information of the proprietors, the regulations which have been adopted, in the first place, for conducting business in a proper manner at the branches: and, secondly, for the control and superintendence which are exercised over them by the directors in London. First, as to the branches; for the due management of the business at each a suitable house has been obtained, and the following officers have been provided; viz. manager, accountant, teller, clerk, porter; all of whom find security for their fidelity. Where the scale of business requires it, the number of the inferior officers is increased, but there are only two principal officers at any branch, viz. manager and accountant; and for securing more effectually the proper discharge of the duties of all, and assisting the manager with advice and information, there has been appointed at each station a board of local directors, consisting, according to circumstances, of three, four, or five gentlemen of the first respectability in the place,

who, in order to be eligible, must themselves have an interest in the establishment, by holding ten shares each of its stock. The duty of these gentlemen is to meet daily at a given hour at the bank's office, and, along with the manager, to judge of bills presented for discount, and of all applications for credits. For every act of business of this nature it is necessary that two local directors and the manager be present; and it is provided, that where applications for discounts or credits exceed, in individual cases, a certain fixed amount, or when the manager differs in opinion from the majority of the local board, the matter must be submitted to the decision of the court of directors in London. It is further the duty of the local directors to compare daily the vouchers with the entries in the cash-book, to count, at stated intervals, the cash in charge of the manager, and to certify the returns made periodically from the branch to London.

"Are the committee then to understand distinctly that the local directors, in the case in which the manager, who is the head officer of the society, differs with them, although he may differ singly, are bound to refer those cases to the London board before any decision is come to? — In every case.

"In another contingency it would appear, that where the pecuniary transactions in question exceeded a given amount, that too, although the board might be unanimous, is brought under the consideration of the London board of directors? — It is.

"What does that sum generally amount to? Is it a fixed sum, or does it vary according to the circumstances of the different branches? — It has varied according to circumstances; but, generally speaking, from £300 to £500 is considered the extent to which any thing in the shape of a credit, other than the discount of a mercantile bill, would go."

## 2. — *The Selection of Officers.*

"Be so good as to explain to the committee what steps were taken by the Provincial Bank of Ireland in the selection of their various paid officers at the branches? — I believe that is detailed in this said report. 'The selection of officers in particular was a matter of paramount importance, both on account of the great number required to fill the intended situations in Ireland, and the necessity there was to scrutinize their qualifications as to character and ability. Communications were made on this subject with various gentlemen in different parts of the country, from whom it was expected the best information could be obtained. The prospectus of the society having set out with the resolution that the business should be conducted on the principles which had been so long and so successfully acted upon in Scotland, it seemed desirable to obtain from that country persons trained up in banks there, provided their qualifications in other respects were such as to recommend them. With this view, the secretary' (that was not myself at that time) 'was sent down to Edinburgh in February for the purpose of making inquiries; and notice having been given in the public papers that persons were wanted to fill situations in the projected establishments in Ireland, a gentleman in the above city was employed to receive applications and to institute the most minute and scrupulous inquiries regarding the character and qualification of those who should apply. Another gentleman from the same city was also engaged to proceed to London, to assist the directors in the formation and prosecution of a plan for conducting the business, when they should be ready to commence it in Ireland' (that alludes to myself). 'The extensive correspondence which the applications and inquiries, produced by the measures above mentioned, necessarily occasioned, occupied the attention of the directors very closely, and for a considerable length of time, and the result has been that the services of a number of most valuable officers have been secured to the society.'

"But at that period was there a greater facility in procuring the services of gentlemen more particularly who had experience in the Scotch banking than there would be subsequently, when there was a more active competition in the establishment of banks? — No doubt of it.

"What description of security were these officers required to give? — Unexceptionable personal security; two persons, at least, generally were joined in a bond for the fidelity of the officer.

"Was there any fixed proportion between the amount of the security required and of the salary paid, or the duties to be performed? — The amount had respect to the duties to be performed rather than to the salary.



"What was the general security that was taken by bond for the fidelity of these officers? — The lowest clerk was £1,000; the highest £10,000 for a manager at the largest branch.

"And that has been enforced by the Provincial Bank with respect to its officers? The amount of £10,000 has not been required, as we have practically found £5,000 to be a more commandable sum; I would say, within the reach of the description of parties who are aspirants to these offices.

"Now with respect to the local directors, how were they selected? — It is mentioned here, that there should be selected three, four, or five gentleman of the first respectability in the place, of commercial knowledge, whenever those could be obtained; if having had that commercial knowledge, and being disengaged from business, they were considered as so much the more eligible.

"But in the selection of local directors, so far from excluding persons by reason of their having commercial or banking knowledge, are the committee to understand that such parties were preferred? — Where they had it, and were not understood to be in a situation to require banking accommodation for themselves.

"You have stated that the local directors were required to take ten shares each, at the least? — Yes.

"Will you have the goodness to state what the reason was that they were required to take those shares? — In order that they might have a greater interest in the establishment; feel a personal interest. I must say we have not, in every instance, been able to get gentlemen of that description. We have, in some instances, appointed gentlemen who, from various causes, declined to become shareholders; at least, we have elected gentlemen to be local directors without requiring the fulfilment of that condition: there are some instances at present of gentlemen who are so; but no doubts regarding the solvency of the bank ever deterred any of them."

### 3. — *The Choice of Directors.*

"Now tell us how they are appointed? — The directors in London were, of course, originally appointed by the gentlemen who associated together for the purpose of forming this establishment; and they continued, with the approbation of the meeting, until a certain time, when by the deed of settlement, which was afterwards prepared, four were to go out every year.

"In the vacancy of the four, who appoints their successors? — The proprietors generally; the general meeting of proprietors.

"Are they reëligible? — They are declared by the deed of settlement to be reëligible.

"Are they recommended to the court of proprietors by the court of directors? They are; they have been virtually so: and I beg to refer to one of the annual reports, which gives an explanation upon that point. It is in the report made the 17th of May, 1827, in which it is stated: — The directors have now to advert to a circumstance of some importance as connected with the constitution of the society. By the deed of settlement, the number of directors was limited to twenty. Since the completion of the deed, that number has been reduced by death or resignations to sixteen; and the directors having found by experience that the latter number is quite sufficient to insure a due attendance for the efficient management of the business of the establishment, have not thought it necessary to enforce the terms of the deed by proposing the election of new members; and they think themselves now justified, by past experience, in unanimously recommending to the court of proprietors to limit the number of directors for the ensuing year to sixteen. The directors may add, that this arrangement will be attended with a considerable saving of expense; and in conclusion, they beg to state to the proprietors an opinion in which they also unanimously concur; viz. that in future elections, it will greatly conduce to the harmony and cordiality which it is so desirable should prevail amongst the directors themselves, as well as to the good management of the bank's affairs, if a recommendation shall be made by them to the proprietors in favor of those candidates whom, after due inquiry, they shall find to be the best qualified to fill the situation."

"Have those recommendations been generally complied with by the proprietors? — Always.

"Uniformly, without exception? — Uniformly; it has uniformly been acquiesced in. Two or three candidates had upon more than one occasion started, but when the mat-

ter was explained to them, they have uniformly acquiesced in it. It is necessary to state, to complete this, that the recommendation to limit the number of directors to sixteen was afterwards the subject of a special provision by an additional deed of the proprietors, therefore the number cannot be extended beyond sixteen without altering the deed.

"Are the directors paid for their attendance? — They are.

"What is the amount of payment which they receive? — It is so regulated that no director can receive above £250 a year, the director in London I mean, were he attending at every possible meeting that he could.

"Is the payment an annual payment, or proportionate to the attendances? — Proportionate to the attendances, ascertained every quarter.

"According to the number of attendances so the parties are paid? — Yes, according to the attendances.

"Was that sanctioned by the proprietors and by the society? — The deed of settlement contains a provision allowing the directors to take the sum of £5,000 as remuneration; they have never taken more than £3,000; the proportion is reduced; that was when the number of directors was twenty.

"*Sir Thomas Fremantle.* — What do they take now, the sixteen? — They cannot exceed £3,000." (At a recent meeting of the shareholders of the bank, the chairman stated the amount to be £4,000.)

#### 4. — *The Daily Committee.*

"Will you state how they transact their business? — By meeting daily in committee, (a general committee,) which is open to all to attend; but in order to be a quorum, there must be three present; and by a weekly court, held each Friday, at which all ought to be present.

"Is there a record in writing of all the directions and the acts of that special committee? — There is.

"Are each of those acts brought under the examination and review of the general court on Friday? — At the weekly court they are, the minutes are read over.

"Is the question put upon the confirmation of those minutes, or is it open to the general court to vary or alter them? — The question is specially put by the chairman of the weekly court, whether it is the pleasure of that court to confirm the minutes of the past week which have been read.

"Have you known instances in the management of the bank in which there have been any variations upon the proceedings of the committee proposed by the general court, so as to show that it is an active as well as a theoretical superintendence? — I have seen instances where the subject has been brought under revision, and which has produced an alteration of the resolution of the committee.

"Having now explained to the committee the formation of your local administration at the branches, and your general administration in London, will you state what the course of proceeding is, to insure to the court in London a knowledge of that which takes place at the different branches? — I read from the report already referred to: 'Regular advices of the proceedings at the branches are transmitted by the managers to London by post every second or third day, according to circumstances; and at the end of each week a complete statement of the whole transactions is made up, and forwarded by the mail-coach. These returns are first examined by the officers of the London establishment, and then submitted to the directors. For giving the necessary orders arising out of these communications, for judging of all matters referred to them from the branches, for disposing of the bank's funds in London and Dublin, and for the discharge of all other duties implied in the exercise of a superintendence over the whole establishment, whether in Ireland or in London, the directors hold regular and daily meetings.

"Are the accounts which are sent from the branches accounts in detail of the whole of the operations of the bank? — They are.

"Are they, in fact, transcripts of the accounts of the bank from period to period? — They are so; with this explanation regarding the current accounts of parties holding accounts with the bank, every particular draft or receipt is not sent to London, or rather the entries of these, I mean, are not copied or sent to London; but there is this check on the operations at the branches, the exact balance of every man's account at the end of each week is given, and forms part of an abstract of the balance-sheet

which is set forward, and which must agree ; therefore if it were wrong it would at once detect itself.

"Then no variation can take place in the actual balance without the attention of the court being at once called to it ? — None can.

"And is the name of each individual to whom these advances are made from time to time brought under the special notice of the court of directors in London ? — Yes ; by the following process. The branches are divided amongst the directors, so many allotted to such a sub-committee, who take up the affairs of these branches each week in succession, and examine all the bills that have been discounted, the advances that have been made of any description, and the balance of each man's account, whether in his favor or against him."

#### 5. — *The Inspection of Branches.*

"Have you any system of inspection by which you are enabled from time to time to verify the correctness of the proceedings of the branches ? — We have ; besides having a half-yearly balance-sheet made out with all the details of the affairs of each branch at the time, and which is scrupulously examined at London, there is an inspector (two at present) whose duty it is to go through the branches and to examine personally and verify every voucher and every particular, and to remain at the branch until they are fully satisfied that all is right.

"Who are these officers ? — Mr. Murray, the first manager employed at Cork, was, from a conviction of his very eminent qualifications for that office, elected inspector ; he is now our agent in Dublin, and chief inspector of the branches. There has been united with him in duty, first, Mr. Paton, who was manager at Armagh, and then manager at Cork, but who has now left our service, except that he has been elected a local director of the Armagh branch, where he now resides. Mr. Paton has been succeeded in the inspectorship by Mr. Hewat, who is at present acting as interim manager at Cork branch.

"Are the visits of your inspectors at stated and known intervals, or is any branch at any one moment liable to the visit of an inspector, and to an immediate examination and verification of their accounts and bills and balances ? — Every branch is so liable to be visited ; there is no previous intimation given, except the visit be for some particular purpose which, by a representation from the branch, calls on the inspector to go.

"As an additional security, have you yourself, or any of the directors, been accustomed to visit the branches, and to report thereon ? — I have myself every year, and sometimes oftener than once a year, even twice or three times in a year, gone to Ireland, and have gone through the whole branches, in fact, more than once, at different times ; and on all occasions have made examinations which appeared to me to be necessary ; and besides that, the directors have in person repeatedly visited the branches ; deputations of the London directors, I mean, have so done."

#### 6. — *The Declaration of a Dividend.*

"Will you explain to the committee what steps you take before you declare a dividend ? — We have regularly a balance every half year ; the dividend has only been declared once a year, at the termination of the year, which is in March ; our year ends in March. Prior to that period, each manager is directed to send up a special report of every obligation which is outstanding, or of any which is doubtful, describing particularly in the report every party to such obligation ; that is preparatory to going further into the matter ; then when the balance at the end of March is completed, a complete balance sheet of every branch is made up and sent to the bank, with a more detailed report. A special committee of the directors is appointed to examine those, and they go minutely through them, and weigh every outstanding debt, and strike off every thing that is considered to be irrecoverable ; they then consider in what degree the reports of the managers represent every other outstanding debt to be recoverable, either in full or in part ; and when all that has been done, they add generally a sum to cover still any possible omission, and it is only then that the fair profits of the year are considered to be ascertained.

"Can you inform the committee how far your calculations, your annual calculations of bad and doubtful debts, have or have not been below or above the mark ? — In many instances, our allowances have exceeded what has turned out to be the real loss ;

for, as I mentioned before, the directors, in order to be more secure, have been in the practice of making an additional deduction over all the deductions made by the officers at the branches.

"Have the proprietors any power under your deed of settlement of naming any auditors, or having any examination of those accounts, so as to verify their fidelity? — We have no auditors, but there is a provision in the deed of settlement by which a certain number of proprietors may call for a further investigation of the accounts, if they are dissatisfied."

7. — *The Causes of its Prosperity.*

"Do you think there is any thing peculiar in the construction of this bank which has insured its being correctly and well managed up to the present time, or that it has rather arisen from the 'happy accident' of the directors who were selected having been honorable and correct men of business? — I conceive the very first and indispensable thing was an exceedingly respectable board of directors formed in the first instance, and which has always been maintained. In the next place, that the system of accounting that was adopted, and the check on the operations of the different branches, which has not been departed from, has most materially contributed to that good result. In the next place, there was an exceedingly good field for banking when we commenced, for Ireland was very destitute of good banks at the time, the Bank of Ireland operations having been confined only to Dublin. Therefore, from all those concurring circumstances, I conceive the prosperity of the bank has resulted."

To these causes we may add one more, stated in the Report delivered by the Directors to the Proprietors in the year 1836, — the non-interference of the shareholders in the distribution of the profits: —

"To this desirable position the affairs of the bank have been conducted, as the directors have great pleasure in acknowledging, by the uniform support and continued approbation of the proprietors, who, far from manifesting any impatient desire to participate in the reserved profits, have always relied with confidence on the opinion of those by whom the working of the establishment was superintended, feeling assured that whenever such participation was clearly expedient, it would not be withheld."

The following is a copy of the Balance-sheet attached to the last Report, delivered May 17th, 1849: —

PROVINCIAL BANK OF IRELAND.		£	s.	d.
The amount of rest or undivided profits at 25th March, 1848, was .		107,505	10	11
Out of which there have been paid two half-yearly dividends, at the rate of 8 per cent. per annum, amounting to . . . . .		48,200	0	0
Leaving a balance, or rest, of . . . . .		64,305	10	11
To which there has since been added the amount of net profits for the year ending the 31st March last, after deducting the Property Tax and all expenses, and providing for all bad and doubtful debts, . . . . .		45,733	5	6
Making the amount of rest at 31st March, 1849, .		£110,038	16	5

The Provincial Bank of Ireland has branches at the following places:

Armagh.	Coleraine.	Fermoy.	Omagh.
Athlone.	Cootehill.	Galway.	Parsonstown.
Ballina.	Cork.	Kilkenny.	Skibbereen.
Ballymena.	Drogheda.	Kilrush.	Sligo.
Ballyshannon.	Dundalk.	Limerick.	Strabane.
Banbridge.	Dungannon.	Londonderry.	Tralee.
Bandon.	Dungarvon.	Mallow.	Waterford.
Belfast.	Ennis.	Monaghan.	Wexford.
Cavan.	Enniscorthy.	Newry.	Youghal.
Clonmel.	Enniskillen.		

*The National Bank of Ireland.*

The Prospectus of this bank, issued in 1834, announced that it would be conducted on the "local shareholder principle."

"It is proposed that each branch shall have a separate capital proportioned to the extent of its business, one half to be subscribed by resident shareholders, so as to identify their interest with their own establishment, and the other half to be subscribed by the National Bank of Ireland, whose connection with each branch, whether its separate capital consists of £5,000 or £50,000, will afford it the credit of whatever capital (however large) the National Bank of Ireland may have actually paid up at the time."

"The following are the terms and conditions of subscribing:—

"1. That a company shall be formed in London, to extend to Ireland the benefit of a sound banking system.

"2. That a bank be formed in each town in Ireland, where practicable by law, and which offers a prospect of success to the operations of the company.

"3. That the object of the London company shall be to connect itself with shareholders exclusively interested in the success of each local establishment.

"4. That the principle of the bank shall be the division of profits of each bank with such local shareholders in Ireland. The capital of each branch to be subscribed equally by shareholders on the spot and the company in London.

"5. That the capital of the London company shall be £1,000,000, in shares of £50 each, to be called the original capital, which may be increased as the business of the company extends; but the premium, on any addition, to go to the first subscribers.

"6. That the bank shall be formed as soon as half the capital is subscribed.

"7. That the bank shall be managed by a board in London, consisting of twenty-four directors, in whom will be vested the supreme control.

"8. That each local bank shall be managed by a board of local directors, elected by the shareholders, subject to the approbation of the directors in London."

This principle was first announced to the public by the late Mr. Thomas Joplin. He attempted to introduce it into the National Provincial Bank of England, of which he was the managing director, and to the formation of which he had materially contributed. But the practical difficulties were found to be great. It was almost impossible to arrange the preliminaries to the satisfaction of all parties, and the principle was never brought into operation. Mr. Lamie Murray, who projected the National Bank of Ireland, was the secretary of the National Provincial Bank of England, and had adopted Mr. Joplin's views on the subject. When first established, therefore, the National Bank of Ireland acted on this principle; but after a few years the independent banks in Ireland consented to become branches of the head establishment. Those at Clonmel and Carrick-on-Suir, however, declined this arrangement, and they still register as independent banks, though they are regarded by the public as branches of the National Bank of Ireland.

Another peculiarity attended the formation of this bank. Its chief connections lay among that political party in Ireland who advocated a Repeal of the Union, and who had been accused of causing all the runs for gold that had taken place on the existing banks. In the provisional committee we find the names of the late Daniel O'Connell, Esq., M. P., Maurice O'Connell, Esq., M. P., Fitz-Stephen French, Esq., M. P., James Grattan, Esq., M. P., and others of the same political views. The seat of government, however, like that of the Provincial Bank of Ireland, was fixed in London. One advantage resulted from connecting the heads of this party

with an Irish joint-stock bank. There was an end to all *political* runs for gold. When a run afterwards took place, in consequence of the failure of the Agricultural Bank, Mr. O'Connell used all his influence to allay the excitement then occasioned. The branches of the National Bank are opened almost entirely in the south and west of Ireland. The bank has also an office in Dublin, where, since the Act of 1845, it has issued its own notes.

The report of 1848 states that the National Bank of Ireland had taken the business of the London and Dublin Bank : —

"During the latter part of the year, it having been intimated to the directors that the London and Dublin Bank were desirous of dissolving that company, negotiations were entered into with the directors, which terminated in this establishment succeeding to its connections in the towns of Dundalk, Carrickmacross, Wicklow, Kells, Athy, Mullingar, and Parsonstown, with every prospect of advantage to the bank. The whole of these localities are, with the exception of Parsonstown, within the circle from which all banks of issue, except the Bank of Ireland, had been excluded, until the extinction of the monopoly by the Banking Act of 1845."

**SAVINGS BANKS.**—These institutions are among the noblest and best that were ever invented ; and to keep them so, it is necessary that the strictest watch should be kept over them by the Legislature (otherwise they may become the most dangerous), so that when any weak spot is discovered about them, it may be immediately mended. There are now nine or ten of them in this city and its immediate neighborhood, with deposits of over sixteen millions of dollars. Suppose one of these institutions should get into bad hands, or from any other cause, fail, — the consequence would be, a distrust of the whole. A rush for funds would follow, and away goes the whole series, pulling down the other banks with them (as they did in 1837), by an immediate demand for specie. Now to show that this is not an impossible occurrence, you will observe that when a new bank is put up, in city or country, under the General Banking Law, an application is pretty sure to be made to the Legislature for a savings bank, with the same directors to both institutions. The object of this is, to enable the general bank to use the deposits of the savings bank as capital, and discount on them. This is done to a considerable extent already, and is a growing evil. As the law now stands, the savings banks are obliged to invest their funds in State or United States stocks, and bonds and mortgages ; or they may loan their funds to any bank, on any terms that may be agreed on. The last clause is the dangerous one. Let the law be so amended that all funds which are not invested shall be deposited with the State, or corporation of this city (as in England), drawing a small rate of interest, say three or four per cent., or deposited with some secure bank as a special deposit without interest ; at the same time giving the trustees the power to make temporary loans on the same securities which they now invest in, but in no case to loan to banks unless they get the same securities they are now allowed to take. If this plan is pursued, there will be but little risk in regard to savings banks, except as to their falling into bad hands, which must always be considerable. At present they are at loose ends, and no person is appointed by the Legislature to look after them. Unless new guards are thrown around them, there may be an explosion that will shake all our monied institutions to their foundations. It is time some action should be taken, as this nine million Canal loan will set at least fifty new banks in operation, each with a savings bank attached to it, if such an appendage can be obtained.

What is principally wanted, is, that as the legislature have guarded the public against frauds in the circulation of notes, by taking securities from the banks in State stocks for all the notes they circulate, they should compel the banks to give the same securities for any moneys they may get from the savings banks, under a penalty of making the directors and trustees of both institutions individually liable. — *New York Journal of Commerce.*

## BANK FRAUDS.

I. THE HAVRE DE GRACE BANK. — II. THE STATE BANK AT MORRIS. —  
III. ATTEMPT ON THE OXFORD BANK.

I. THE HAVRE DE GRACE BANK. — We refer our financial readers, and, indeed, our readers of all classes, to the report of the trial of Mr. Collier, Cashier of the Havre de Grace Bank, at Elkton, Maryland, — an institution which blew up a few months ago, — for embezzling the funds of that institution. The developments furnished by the evidence show some curious practices on the part of certain financiers in New York. After a tedious trial the cashier was acquitted; but the startling fact remains, that the bank robbed the community of a large sum of money.

One of the most extraordinary features of the evidence is the testimony in reference to one "Charley Wood," which is supposed to be a *nom de guerre* of some celebrated financier in the neighborhood, who was seen only on one occasion by one of the witnesses, and who is spoken of as a "short, stout man." Who can he be? The system of Plainfield financiering, which has been in operation in this country for several years past, is worthy of the attention of historians and philosophers. Various banks in various neighborhoods, which have been conducted on this system, have operated with great success for a while, — merely to blow up in the end, with a tremendous explosion. The Plainfield system is something like the high-pressure system in steam-boilers. The boat-builders and engine-builders generally escape, but the poor firemen and engineers and deck passengers are blown sky-high when the explosion takes place. During the last few years, the number of banks which have been conducted on the Plainfield principle, and which, after operating on the community for a short time, have wound up by an explosion, amount to half a dozen, at least, located in various parts of the country, north and south. Here is a list of them: —

## EXPLODED BANKS, MANAGED ON PLAINFIELD PRINCIPLES.

Plainfield, circulation, deposits, and discounts, . . . . .	\$300,000
Lehigh County Bank, " . . . . .	75,000
Susquehanna Co. Bank, " . . . . .	150,000
Havre de Grace Bank, " . . . . .	105,000
New Hope and Delaware Bridge, " . . . . .	125,000
State Bank of Morris, N. J., " . . . . .	150,000
Jacksonville Bank, Florida, " . . . . .	100,000
Total, . . . . .	\$905,000

These rotten institutions, as a general thing, originated in New York, were managed in New York, and each had its "Charley Wood" on every occasion before a wind-up or an explosion. By the circulation of their notes, the working portion of the community have been plundered to the amount of nearly a million of dollars, without any hope of recovery or indemnification. Several of the financiers connected with these institutions in New Jersey, Pennsylvania, and Maryland, have been in-

dicted, and some of them, as in the case of Collier, have been tried ; but no conviction ever took place, nor was any discovery ever made of the particular personages by whom the banks were rifled, and the country at large plundered and swindled. Requisitions have been issued by the Governors of New Jersey, Pennsylvania, and perhaps other States, on the Governor of New York, for indicted financiers, or those against whom indictments would have been found if they were not absent ; but by some means or other, by hook or by crook, those persons have contrived to get their necks out of the noose, — to cheat the penitentiary or the State prison of its due, — to embark again in the organization of similar banks in some other quarter. — *New York Evening Post*.

II. THE STATE BANK AT MORRIS. — In the case of the State of New Jersey against Harvey Dayton, Cashier of the State Bank at Morris, the case, as opened by the State, was, that the State Bank at Morris, having been many years in existence, in the winter of 1848 – 49 obtained an act of the legislature for their relief, reducing the par value of their stock ; the act contained a provision that it should not resume banking operations until they had a *bond fide* capital for banking purposes of at least \$ 40,000. On the 20th of August, 1849, the defendant, who at that time was cashier, made and filed an affidavit that the bank had a cash capital for banking purposes of at least \$ 40,000, — and upon this affidavit the perjury is assigned. The State say, that, to make this sum, there was in the bank \$ 20,000, in bills of the Susquehanna County Bank ; \$ 6,000 in D. Sanderson's check on the Somerville Bank ; Dayton, the cashier's, check for \$ 6,000 on the Morris County Bank ; and D. Sanderson's check on the Elizabethtown Bank for \$ 3,199. That, on the day the cashier made his affidavit, all these securities were standing on the books of the bank to the credit of Egbert A. Thompson, of Cincinnati. That it was understood that the money was not to be drawn from the Morris County Bank upon Dayton's check, but that it was merely loaned to E. A. Thompson ; that in a few days after the bank opened, E. A. Thompson's check was substituted in the place of Dayton's. That Sanderson's checks were both paid out for the draft of the Protection Insurance Company, of Somerville, on the 21st of August, 1849, the day the bank commenced operations ; that Sanderson's checks were neither of them good ; that the State Bank at Morris failed with \$ 18,000 of the Susquehanna bills (part of the cash capital) in the bank, and that the same passed, upon their failure, into the hands of the receivers, W. N. Wood, Ira C. Whitehead, and Benjamin Williamson, Esqs. — *New York Tribune*.

III. ATTEMPT ON THE OXFORD BANK. — A remarkable case has been brought to light before the courts in New York, which tends strongly to demonstrate the necessity of the General Banking Law, which provides adequate security for all issues of bank paper. The disclosures were made in the course of an investigation before the United States court. It appears that two men — a Mr. Bradley, of Cincinnati, and a Mr. Barber of St. Louis, — formed a plan to buy up the control of a bank



situated in Oxford, Massachusetts. The price to be paid was \$15,000, and the two worthies were to be equal sharers in the purchase and the spoils. It seems, however, that one of the parties did not furnish his half of the necessary purchase-money, according to agreement, and pocketed the portion which he had received from his accomplice for the purpose of buying up the bank. As a natural consequence the two worthies fell out, and their precious plot has been disclosed to the public. Some of the testimony given in court is exceedingly racy and interesting, and throws a light upon a species of swindling operation which has been often practised with success upon banks chartered on the old plan, to the great injury of the public. In this particular case, the fraudulent game was foiled by the falling out of the conspirators.

Barber testified that the Oxford Bank was to be bought up for \$15,000 by Bradley, he furnishing one half the money and Barber the other half. He stated, also, that when Bradley returned from Oxford, where he had been for the purpose of closing the job, that he represented the *charter* as one of the best in the world, that they two could *circulate any amount of its bills* at the West, and could make a fortune by getting out all the money practicable; and then, when the largest possible quantity of bills were out, they might, if they chose, *let the bank go down*. By way of a small beginning and foretaste of the spoils, they were to help themselves to a little discount of \$50,000 or \$25,000 apiece at the outset. This occurred towards the end of October, 1850, at which time Bradley, by way of keeping Barber duly advised of the "progress" in the affair, wrote to him as follows:—

"DEAR BARBER,— All is going on smooth as oil. I think I shall want more money. Be ready, in the case of my drawing on you. Be of good cheer, there is a good time ahead for us.

BRADLEY."

In this case the confederates quarrelled and the plot was frustrated. But in the majority of cases the rogues do not quarrel, and the facts do not come out until the public gain their knowledge of them by the breaking of the bank. The game of buying up charters, putting out as many bills as possible, and then, like Bradley, "*letting the bank go down*," is a very common one, and has been practised with success. It has been so practised by the infamous Eagle Bank in this State, and by a score of banks in Rhode Island and Massachusetts, and by hundreds of banks elsewhere in the Union, and the people have been plundered by it, first and last, to the amount of millions. It is one of those frauds to which all banks, chartered on the old and vicious plan, for "meritorious cause" (as the bank committee ludicrously term it) and in accordance with the "wisdom of ancestors," humbug, and clap-trap, are always liable, and against which there can be no effectual safeguard except the solid security provided by the General Banking Law. — *Hartford Times*.

## BANK STATISTICS.

## VIRGINIA.

*Farmers' Bank of Virginia and Branches, 1847-1851.*

	LIABILITIES.	Oct., 1847.	Jan. 1, 1849.	July 1, 1850.	July 1, 1851.
Capital, . . . . .		\$ 2,978,700	\$ 2,981,800	\$ 3,000,900	\$ 3,000,900
Circulation, . . . . .		2,943,674	2,240,136	2,543,437	2,448,820
Deposits, . . . . .		1,115,440	1,242,140	1,640,848	1,634,800
Surplus fund, . . . . .		263,160	303,347	267,120	296,484
Profits, last six months, . . . . .		90,124	142,736	148,760	157,320
In transitu, . . . . .		35,538	33,622	43,645	37,388
Total, . . . . .		\$ 7,426,636	\$ 6,943,860	\$ 7,664,710	\$ 7,625,512
	RESOURCES.	Oct., 1847.	Jan. 1, 1849.	July 1, 1850.	July 1, 1851.
Loans, . . . . .		\$ 5,263,086	\$ 5,647,070	\$ 5,780,395	\$ 5,923,470
State bills, . . . . .		45,100	9,796	15,931	16,143
Stocks, . . . . .		263,407	168,989	45,012	73,578
Specie on hand, . . . . .		990,399	697,223	535,325	960,568
Notes of other banks, . . . . .		231,298	146,990	396,548	206,338
Bank balances, . . . . .		302,644	43,154	413,666	90,733
Real estate, . . . . .		240,713	230,630	202,533	199,474
Loan to Commonwealth, . . . . .				75,000	155,200
Total, . . . . .		\$ 7,426,636	\$ 6,943,860	\$ 7,664,710	\$ 7,625,512
Dividend, July 1, 1851, 4½ per cent.					

*Bank of Virginia and Branches.*

	LIABILITIES.	Oct., 1846.	Oct., 1847.	April, 1850.	April 1, 1851.
Capital, . . . . .		\$ 2,550,870	\$ 2,550,870	\$ 2,550,870	\$ 2,580,900
Circulation, . . . . .		2,000,145	2,322,363	2,089,363	2,237,966
Deposits, . . . . .		940,028	1,068,100	1,390,953	1,191,830
Contingent Fund, . . . . .		83,063	130,314	214,298	231,972
Profits (less expenses), . . . . .		56,266	66,465	66,743	72,080
Bank balances, . . . . .		183,280	106,337	154,283	237,016
In transitu, . . . . .		3,804	27,696	7,996	22,080
Total, . . . . .		\$ 5,819,540	\$ 6,262,065	\$ 6,454,346	\$ 6,573,553
	RESOURCES.	Oct., 1846.	Oct., 1847.	April, 1850.	April 1, 1851.
Loan to the Commonwealth, . . . . .					\$ 108,200
Loans, . . . . .		\$ 4,303,913	\$ 4,645,664	\$ 4,632,233	4,794,540
Real estate, . . . . .		206,370	196,317	170,017	169,260
State bills, . . . . .		43,726	16,366	19,147	
Stocks, . . . . .		153,140	153,140	143,044	141,680
Specie, . . . . .		768,226	830,818	815,642	874,311
Bank balances and notes, . . . . .		244,166	445,944	634,147	* 447,320
Deduction at Lynchburg, . . . . .			53,797	90,110	40,381
Total, . . . . .		\$ 5,819,540	\$ 6,262,065	\$ 6,454,346	\$ 6,573,553

\* Of the bank-notes on hand, \$108,117 are payable in Virginia, and \$25,263 in other States. Of the outstanding debt, the sum of \$10,416 is considered bad, and \$48,863 as doubtful. The amount of exchange drawn by the bank, during the last quarter, was \$2,198,000.

For the condition of the Virginia banks at other periods, see *Bankers' Magazine*, Vol. V. pp. 440 and 512.

*Exchange Bank of Virginia and Branches*

LIABILITIES.	Oct., 1845.	Oct., 1847.	Oct., 1849.	July 1, 1851.
Capital, . . . . .	\$ 1,726,300	\$ 1,808,300	\$ 1,826,300	\$ 1,904,800
Circulation, . . . . .	711,352	1,088,664	992,655	1,756,028
Individual deposits, . . . . .	732,545	661,026	722,954	845,261
Bank balances, . . . . .	50,995	66,984	85,010	153,772
Undivided profits, . . . . .	136,502	153,890	163,426	229,310
Total liabilities, . . . . .	\$ 3,357,694	\$ 3,778,834	\$ 3,790,545	\$ 4,889,261
RESOURCES.	Oct., 1845.	Oct., 1847.	Oct., 1849.	July 1, 1851.
Loans, . . . . .	\$ 2,429,630	\$ 2,750,716	\$ 3,041,916	\$ 3,802,675
Loans to Commonwealth, . . . . .	243,045	201,740	111,900	148,400
Bank balances and notes, . . . . .	265,163	262,928	214,360	267,228
Real estate, . . . . .	91,998	96,222	98,578	96,426
Coin on hand, . . . . .	274,135	461,394	286,777	494,173
Suspended debt, Petersburg, . . . . .	..	..	35,636	20,826
In transitu, . . . . .	34,288	15,903	5,248	65,523
Bank stock, . . . . .	19,435	..	..	..
Total resources, . . . . .	\$ 3,357,694	\$ 3,778,834	\$ 3,790,545	\$ 4,889,261
RECAPITULATION.	Circulation.	Deposits.	Loans.	Specie.
Farmers' Bank of Virginia, . . . . .	\$ 2,448,000	\$ 1,684,000	\$ 6,013,000	\$ 980,000
Bank of Virginia, . . . . .	2,237,000	1,191,000	4,900,000	874,000
Exchange Bank of Virginia, . . . . .	1,756,000	845,000	3,948,000	494,000
Totals, . . . . .	\$ 6,441,000	\$ 3,720,000	\$ 14,861,000	\$ 2,348,000

## KENTUCKY.

*Bank of Louisville and Two Branches.*

LIABILITIES.	Jan., 1847.	Jan., 1848.	July, 1849.	July, 1851.
Capital, . . . . .	\$ 1,082,000	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000
Circulation, . . . . .	939,822	1,126,328	963,390	1,149,472
Individual deposits, . . . . .	163,980	234,466	202,236	270,482
Bank balances, . . . . .	57,091	122,938	222,362	226,274
Profit and loss, . . . . .	126,830	158,166	162,933	209,294
Total liabilities, . . . . .	\$ 2,369,723	\$ 2,731,898	\$ 2,650,921	\$ 3,006,152
RESOURCES.	Jan., 1847.	Jan., 1848.	July, 1849.	July, 1851.
Notes discounted, . . . . .	\$ 726,700	\$ 648,060	\$ 603,831	\$ 633,866
Bills of exchange, . . . . .	717,987	1,136,262	893,521	1,060,392
Louisville City bonds, &c., . . . . .	75,000	75,000	75,000	68,000
Bank balances, . . . . .	132,830	154,410	295,579	398,610
Suspended debt and costs, . . . . .	88,443	47,962	46,080	29,936
Real estate, . . . . .	97,271	89,271	99,641	93,736
Specie on hand, . . . . .	445,844	510,341	327,394	614,653
Bank-notes, . . . . .	75,660	70,592	104,876	116,980
Total resources, . . . . .	\$ 2,369,725	\$ 2,731,898	\$ 2,650,921	\$ 3,006,152
RECAPITULATION.	Circulation.	Deposits.	Loans.	Specie.
Bank of Kentucky, . . . . .	\$ 2,585,000	\$ 777,000	\$ 4,771,000	\$ 1,082,000
Northern Bank, . . . . .	2,556,000	673,000	3,970,000	1,008,000
Bank of Louisville, . . . . .	1,149,000	270,000	1,684,000	614,000
July, 1851, . . . . .	\$ 6,290,000	\$ 1,720,000	\$ 10,425,000	\$ 2,704,000
Jan., 1846, . . . . .	6,063,000	1,827,000	10,600,000	2,538,000

## KENTUCKY.

*Bank of Kentucky and Seven Branches.*

LIABILITIES.	Jan., 1848.	Jan., 1848.	July, 1849.	July, 1851.
Capital stock, . . . . .	\$ 3,700,000	\$ 3,700,000	\$ 3,700,000	\$ 3,700,000
Over-issue by Schuylkill Bank, . . . . .	470,300	52,100		
Circulation, . . . . .	2,586,672	2,781,708	2,453,002	2,586,892
Individual deposits, . . . . .	740,984	671,965	791,645	777,140
Bank balances, . . . . .	392,814	344,144	283,907	683,854
Fund reserved by charter, . . . . .	100,000	100,000	100,000	74,000
Schuylkill Bank fund, . . . . .	55,137		600,000	415,000
Contingent fund, . . . . .	139,480	89,785	114,826	* 318,240
Due treasurer of State, . . . . .	53,181	95,991	49,674	
Dividends unpaid, . . . . .	106,268	93,802	154,070	7,260
Total liabilities, . . . . .	\$ 8,343,824	\$ 7,929,498	\$ 8,247,121	\$ 8,561,376
RESOURCES.	Jan., 1848.	Jan., 1848.	July, 1849.	July, 1851.
Notes discounted, . . . . .	\$ 3,093,840	\$ 2,642,215	\$ 2,645,531	\$ 2,417,610
Bills of exchange, . . . . .	1,850,222	2,132,721	2,137,700	2,264,088
Suspended debt, . . . . .	167,430	95,800	107,626	93,923
Real estate, . . . . .	262,205	211,036	197,382	173,687
Kentucky State bonds, . . . . .	250,000	250,000	250,000	
Louisville City bonds, . . . . .	200,000	200,000	200,000	190,900
Bank balances, . . . . .	445,691	560,415	605,448	† 1,363,248
Due from corporations, . . . . .	19,440	21,710	15,543	10,080
Deficiency from over-issue, . . . . .	470,300	52,100		
Gold and silver, . . . . .	1,375,308	1,371,398	1,241,063	1,082,697
Notes of other banks, . . . . .	319,368	345,373	334,761	476,887
Miscellaneous, . . . . .		46,722	512,070	409,068
Total resources, . . . . .	\$ 8,343,824	\$ 7,929,493	\$ 8,247,124	\$ 8,561,376

\* Surplus fund above stated, . . . . . \$ 807,240

From which deduct dividend, 4½ per cent., . . . . . 166,500

Leaving a net surplus, July, 1851, \$ 640,740.

† Of which the sum of \$ 677,986 is on deposit in New York and Philadelphia.

*The Northern Bank of Kentucky and Branches.*

RESOURCES.	Jan., 1848.	Jan., 1848.	July, 1850.	July, 1851.
Notes discounted, . . . . .	\$ 1,949,698	\$ 1,735,302	\$ 1,707,240	\$ 1,680,512
Bills of exchange, . . . . .	2,007,267	2,156,410	2,233,450	2,208,226
Suspended debt, . . . . .	123,268	136,910	82,100	82,142
Bank balances, . . . . .	933,981	1,111,754	665,103	* 890,808
Real estate, . . . . .	179,866	123,980	126,831	103,238
Kentucky State bonds, . . . . .	5,000	5,000	5,000	5,000
Lexington City bonds, . . . . .	25,000	25,000	16,000	14,000
Gold and silver, . . . . .	909,704	1,038,412	1,016,898	1,008,591
Notes of other banks, . . . . .	267,820	240,780	202,726	209,226
Miscellaneous, . . . . .	8,792	8,860	1,213	9,970
Total resources, . . . . .	\$ 6,324,715	\$ 6,735,409	\$ 6,056,561	\$ 6,211,910

\* Of which the sum of \$ 521,574 is on deposit in New York, Philadelphia, and other Eastern cities.

## Bank Statistics.

LIABILITIES.	Jan., 1846.	Jan., 1848.	July, 1860.	July, 1861.
Capital stock, . . . . .	\$ 2,237,600	\$ 2,238,900	\$ 2,250,000	\$ 2,250,000
Circulation, . . . . .	2,453,539	2,576,780	2,371,796	2,556,985
Individual deposits, . . . . .	674,503	742,806	697,408	673,030
Bank balances, . . . . .	689,327	827,163	308,490	321,365
Profit and loss, . . . . .	267,068	334,542	411,878	* 397,910
Miscellaneous, . . . . .	22,696	15,298	16,080	12,690
Total liabilities, . . . . .	\$ 6,334,715	\$ 6,735,409	\$ 6,055,561	\$ 6,211,910

\* From the above profit and loss account of . . . . . \$ 397,910

Deduct dividend, 5 per cent., July 7, 1861, . . . . . 112,600

Leaving on hand thereafter \$ 285,310, or twelve and a half per cent. upon the capital stock.

For further particulars relating to the Kentucky banks, refer to pages 243, 462, 514, of our last volume.

## OHIO.

## Liabilities and Resources of the Banks of Ohio, May, 1861.

RESOURCES.	12 Indep. Banks.	41 State Branches.	5 Old Banks.	Total.
Notes and bills discounted, . . . . .	\$ 2,710,794	\$ 11,994,120	\$ 4,449,898	19,154,812
Specie on hand, . . . . .	321,558	2,051,531	426,726	2,799,815
Notes of other banks, . . . . .	304,800	698,362	265,043	1,268,205
Bank balances, . . . . .	212,810	551,075	204,074	967,959
Eastern deposits, . . . . .	226,700	1,147,043	326,926	1,600,669
State bonds, . . . . .	1,460,514	915,696	. . . . .	2,376,210
Cash items, . . . . .	1,486	14,126	21,000	26,612
Real estate, . . . . .	97,798	197,317	148,768	443,883
Miscellaneous, . . . . .	75,678	184,966	208,863	469,507
Total, . . . . .	\$ 5,510,400	\$ 17,752,115	\$ 6,044,916	\$ 29,307,431

LIABILITIES.	12 Indep. Banks.	41 State Branches.	5 Old Banks.	Total.
Capital paid in, . . . . .	\$ 864,580	\$ 4,802,620	\$ 1,951,226	\$ 7,618,426
Circulation, . . . . .	1,391,457	8,660,444	1,636,874	11,688,775
Safety fund stock, . . . . .	1,215,612	62,194	. . . . .	1,277,806
Bank balances, . . . . .	222,092	266,318	1,063,964	1,552,374
Deposits, . . . . .	1,516,170	3,133,541	955,975	5,605,686
Surplus fund, . . . . .	29,141	292,330	299,107	620,578
Time drafts, . . . . .	181,488	168,266	23,580	373,334
Discounts, &c., . . . . .	22,793	11,070	56,600	90,463
Dividends unpaid, . . . . .	51,204	175,980	2,164	229,348
Miscellaneous, . . . . .	5,862	59,262	26,506	91,630
Total liabilities, . . . . .	\$ 5,510,400	\$ 17,752,115	\$ 6,044,916	\$ 29,307,431

## TENNESSEE.

## Planters' Bank of Tennessee and Branches.

LIABILITIES.	July, 1847.	July, 1848.	July 1, 1860.	July 1, 1861.
Capital, . . . . .	\$ 1,766,000	\$ 1,741,400	\$ 1,549,000	\$ 1,540,800
Circulation, . . . . .	1,673,723	786,402	1,610,606	1,732,472
Individual deposits, . . . . .	318,612	292,931	496,023	493,518
Dividends unpaid, . . . . .	10,120	5,727	32,120	40,160
Due banks, . . . . .	119,351	71,722	19,260	14,154
Miscellaneous, . . . . .	7,422	. . . . .	16,955	44,764
Total liabilities, . . . . .	\$ 3,895,248	\$ 2,908,182	\$ 3,724,464	\$ 3,915,868

# Tennessee

237

Resources.	July, 1847.	July, 1848.	July 1, 1850.	July 1, 1851.
Notes discounted, . . . . .	\$ 1,374,625	\$ 1,179,948	\$ 1,317,943	\$ 1,513,322
Bills of exchange, . . . . .	780,610	562,933	727,898	723,047
Suspended debt, . . . . .	306,906	294,864	309,656	85,590
Real estate, . . . . .	188,050	196,092	177,982	146,145
State bonds, . . . . .	78,760	67,760	70,963	80,333
Insurance stocks, . . . . .	5,400	5,400	6,650	. . . .
Bank balances, . . . . .	560,595	153,701	496,820	649,220
Bank notes, . . . . .	84,036	60,079	113,570	65,890
Coin on hand, . . . . .	516,876	317,169	512,990	652,321
Miscellaneous, . . . . .	. . . .	40,256	. . . .	. . . .
Total resources, . . . . .	\$ 3,895,848	\$ 2,663,192	\$ 3,724,462	\$ 3,915,868

## Bank of Tennessee and Branches.

Resources.	Jan., 1848.	July, 1849.	July 1, 1850.	July 1, 1851.
Discounted notes, . . . . .	\$ 1,554,976	\$ 1,587,237	\$ 1,657,990	\$ 1,791,177
Bills of exchange, . . . . .	1,273,874	598,588	733,533	837,345
Suspended debt, . . . . .	343,325	888,300	723,570	657,026
State bonds, . . . . .	266,746	338,895	415,980	412,390
Due by State, . . . . .	126,000	29,760	. . . .	. . . .
Real estate, . . . . .	105,441	230,544	298,497	222,700
Bank balances, . . . . .	159,940	475,762	557,662	702,661
Bank notes, . . . . .	159,412	148,061	397,467	303,797
Specie on hand, . . . . .	522,000	528,864	687,910	641,954
Miscellaneous, . . . . .	969,091	1,036	29,730	28,584
Interest on State bonds, . . . . .	. . . .	1,349,380	1,473,342	1,379,530
Bonds, stocks, &c., . . . . .	. . . .	370,267	361,192	355,327
Total resources, . . . . .	\$ 5,509,705	\$ 6,541,704	\$ 7,267,063	\$ 7,323,491

LIABILITIES.	Jan., 1848.	July, 1849.	July 1, 1850.	July 1, 1851.
Capital stock, . . . . .	\$ 3,226,976	\$ 3,199,613	\$ 3,193,940	\$ 3,194,202
Individual deposits, . . . . .	267,262	362,070	428,916	478,971
Public deposits, . . . . .	352,321	376,717	407,092	422,232
Bank balances, . . . . .	11,832	44,890	. . . .	39,164
Circulation, . . . . .	1,532,294	1,327,700	1,645,933	1,899,065
Miscellaneous, . . . . .	99,000	1,210,784	1,331,202	1,264,537
Total liabilities, . . . . .	\$ 5,509,705	\$ 6,541,704	\$ 7,267,063	\$ 7,323,491

The profits for the six months ending July 1, 1851, were \$ 108,614, payable to the State treasury.

For further particulars relating to the Tennessee banks, refer to Vol. IV. pp. 754, 755, 756, and Vol. V. pp. 245, 246, 768.

## DISTRICT OF COLUMBIA.

### Bank of the Metropolis, Washington.

Resources.	Feb., 1846.	Sept. 11, 1850.	July 3, 1851.
Bills and notes discounted, . . . . .	\$ 700,968	\$ 619,468	\$ 709,744
Real estate, . . . . .	41,084	50,366	30,708
Bank of Metropolis stock, . . . . .	51,900	. . . .	. . . .
Corporation and other stock, . . . . .	14,000	10,316	10,228
Bank balances, . . . . .	77,228	162,141	169,785
Notes and checks of other banks, . . . . .	37,915	13,493	16,086
Specie on hand, . . . . .	119,708	117,168	86,068
Total resources, . . . . .	\$ 1,043,783	\$ 972,972	\$ 1,016,576

## Bank Statistics.

LIABILITIES.	Feb., 1848.	Sept. 11, 1850.	July 3, 1851.
Capital paid in, . . . . .	\$ 500,000	\$ 353,300	\$ 353,300
Profit and loss, . . . . .	42,960	67,274	60,368
Individual deposits, . . . . .	294,646	385,431	478,566
Circulation, . . . . .	147,426	99,117	72,017
Public deposits, . . . . .	7,247	2,080	3,080
Bank balances, . . . . .	50,414	64,790	49,355
Total liabilities, . . . . .	\$ 1,042,783	\$ 972,972	\$ 1,016,676

## SOUTH CAROLINA.

## Bank of Charleston.

LIABILITIES.	June, 1848.	June, 1849.	June 29, 1850.	June 30, 1851.
Capital stock, . . . . .	\$ 3,160,800	\$ 3,160,800	\$ 3,160,800	\$ 3,160,800
Circulation, . . . . .	753,510	1,594,850	1,945,084	1,530,574
Individual deposits, . . . . .	336,318	413,930	505,436	519,620
Sterling bills sold, . . . . .	1,504,268	.. .	.. .	.. .
Due distant banks, . . . . .	321,547	479,708	662,197	615,368
Due city banks, . . . . .	1,734	2,626	92,455	.. .
Due to agencies, . . . . .	115,495	1,190,756	.. .	.. .
Public deposits, . . . . .	.. .	2,370	2,374	2,378
Dividends unpaid, . . . . .	8,379	10,007	12,330	16,568
Undivided profits, . . . . .	678,295	755,965	431,525	492,358
Total liabilities, . . . . .	\$ 6,980,267	\$ 7,612,912	\$ 6,813,191	\$ 6,437,656
RESOURCES.	June, 1848.	June, 1849.	June 29, 1850.	June 30, 1851.
Bills discounted, . . . . .	\$ 1,803,326	\$ 1,262,440	\$ 1,942,535	\$ 1,653,308
Domestic bills of exchange, . . . . .	788,475	1,082,770	1,810,937	1,763,522
Sterling bills, . . . . .	2,034,800	2,356,856	731,964	68,692
French exchange, . . . . .	55,107	316,348	298,694	.. .
Bonds and mortgages, . . . . .	262,263	261,078	200,860	144,298
Suspended debt, . . . . .	187,500	104,337	57,104	69,400
Bank balances, . . . . .	378,201	240,952	656,970	958,260
Due by agencies, . . . . .	197,224	369,843	237,937	436,036
Foreign premiums, . . . . .	52,180	94,968	.. .	.. .
Bonus for charter, . . . . .	41,875	26,250	30,625	25,000
Real and personal estate, . . . . .	64,616	63,808	35,994	37,994
Stocks and bonds, . . . . .	580,940	580,648	530,643	530,650
Losses chargeable to contingents, . . . . .	300,620	327,607	.. .	.. .
Notes of other banks, . . . . .	101,858	71,046	110,996	125,080
Gold and silver, . . . . .	269,740	426,225	656,744	553,498
Miscellaneous, . . . . .	20,571	17,836	41,148	55,948
Total resources, . . . . .	\$ 6,980,267	\$ 7,612,912	\$ 6,813,191	\$ 6,437,656

The Annual Report to the Stockholders of the Bank of Charleston, July 3, 1851, states that the profits of this bank during the year were \$341,239, against which two regular dividends of 4 per cent. each, and two extra dividends of 1 per cent. each, were paid, or 10 per cent., \$316,800; leaving a surplus of \$25,159, to be carried to the contingent fund.

The averages of the bank during the year were, — Circulation, \$2,451,000; Deposits, \$601,000; and due to banks, &c., \$1,669,000.

The stock of the bank is held by 941 different shareholders, viz. :—

Held by individuals in their own right, . . . . .	\$ 1,863,400
Held by guardians, trustees, minors, executors, societies, &c., . . . . .	21,046,800
Held by banks and insurance companies, . . . . .	280,600

## LONDON AND WESTMINSTER BANK.

*Report of the Directors of the London and Westminster Bank, to the Proprietors, at the half-yearly Meeting, held on the Bank Premises, in Lothbury, July 16th, 1851. David Salomons, Esq., M. P., Ald., in the Chair.*

The net profits of the bank during the last half-year amount to £ 42,051 1s. 3d. Out of these profits the directors now declare a dividend at the rate of six per cent. per annum. After the payment of this dividend there will remain £12,051 1s. 3d. to be added to the surplus fund, which will then amount to £ 112,158 13s. 4d.

LIABILITIES.		£	s.	d.
To proprietors for paid up capital, . . . . .		1,000,000	0	0
To amount due by the bank for deposits, circular notes, &c., . . . . .		4,414,179	17	10
To rent, or surplus fund, . . . . .		100,107	12	1
To net profits of the past half-year, . . . . .		42,051	1	3
Total liabilities, . . . . .		£ 5,556,338	11	2
ASSETS.		£	s.	d.
By government stock, exchequer bills, and India bonds, . . . . .		1,054,018	10	0
By other securities, including bills discounted, loans to customers, &c., . . . . .		3,810,800	4	1
By cash in hand, . . . . .		691,719	17	1
Total assets, . . . . .		£ 5,556,338	11	2

*Profit and Loss, June 30, 1851.*

To total expenditure of the six establishments, including rent, taxes, salaries, stationery, &c., . . . . .	£	s.	d.
	18,668	5	0
To payment of the dividend, now declared at the rate of £ 6 per cent. per annum for the last half-year, . . . . .	30,000	0	0
To balance of unappropriated profits, . . . . .	112,158	13	4
Total, . . . . .	£ 160,840	18	4
By balance of unappropriated profits, on the 31st December, 1850, . . . . .	£	s.	d.
	100,107	12	1
By gross profits of the last half-year, after paying the income tax and making provision for all bad and doubtful debts, . . . . .	60,733	6	3
Total, . . . . .	£ 160,840	18	4

The foregoing report and statements having been read to the meeting by the Secretary, it was unanimously resolved, —

1. That the report now read be adopted and printed, and circulated among the proprietors.
2. That the thanks of the meeting be presented to the directors for their services during the past half-year.
3. That the thanks of the meeting be presented to James William Gilbert, Esq., F. R. S., the General Manager, to the Managers, and to the other officers of the bank, for their past services.
4. That the thanks of the meeting be presented to David Salomons, Esq., M. P., Ald., for his able and courteous conduct in the chair.

In the Act of Parliament renewing the Bank of England charter, passed in 1833, it was declared to be the law, that companies or partnerships consisting of more than six persons might carry on the business of banking in London. Immediately after the passing of this act, a prospectus was issued proposing to form the London and Westminster Bank. The bank commenced business, March 10, 1834, with a capital of £ 50,000.



## BANK ITEMS.

**NEW HAMPSHIRE.**—The Pittsfield Bank, at Pittsfield, has commenced operations with a capital of \$50,000 paid in. The bank was chartered in June, 1850. President, John L. Thorndike; Cashier, C. H. Carpenter, Esq.

**MASSACHUSETTS.**—The Cashier of the Faneuil Hall Bank gives notice that the first assessment of fifty dollars per share will be payable on Monday, the 1st of September; and the second assessment of fifty dollars per share will be due on the 1st of October next.

**Northampton.**—Eliphalet Williams, Esq., has been elected President of the Northampton Bank, in place of John D. Whitney, Esq., resigned.

**Pawtucket.**—The Receivers of the Pawtucket Bank have given public notice, that they are now paying the liabilities of the bank, with interest. For the present, the outstanding circulation, now only \$4,500, will be taken by the Suffolk Bank, Boston, or the Merchants' Bank, Providence. Thus all claims proved against the Pawtucket Bank will be fully liquidated by its assets, and leave a dividend for its stockholders.

**Salem.**—Joseph S. Cabot, Esq., has been chosen President of the Asiatic Bank, Salem, in place of N. W. Neal, Esq., deceased.

**CONNECTICUT.**—The books of subscription to the City Bank in Hartford were opened in that city on Tuesday and Wednesday, August 5th and 6th. When the books were closed, it was found that 20,012 shares had been subscribed of \$100 each, making \$2,001,200,—of which one fourth was paid in at the time of subscription. As the capital of the bank is limited to \$500,000, more than three fourths of the subscriptions must be returned.

**Bridgeport.**—The Pequonnic Bank at Bridgeport, Conn., was organized on the 11th of August. P. T. Barnum was unanimously elected President of the institution. The capital of the bank is \$200,000, of which Mr. Barnum subscribed \$100,000. The whole amount subscribed was \$253,000.

**Mystic.**—The amount subscribed for the stock of the Mystic Bank on the 5th of August was \$206,200. Capital authorized, \$100,000. The following persons have been chosen directors, viz.:—Charles Mallory, Nathan G. Fish, George W. Ashley, Clark Greenman, and A. G. Stark.

**Middletown.**—The books for subscription to the new stock of the Middlesex County Bank were opened on Monday, August 4, when all was taken at a premium of \$11 per share, to make it equal to the old shares.

**Central Bank.**—Charles Woodward, Esq., has been elected President of the Central Bank at Middletown, and Henry D. Smith, Esq., Cashier. This bank was chartered at the last session of the Legislature. The following gentlemen were elected Directors:—Charles Woodward, Edwin F. Johnson, Edwin Stearns, Wm. D. Starr, Norman Smith, Curtis Bacon, Aaron G. Pease, Enoch C. Ferre, Edward C. Whitmore.

**Hartford.**—Edmund G. Howe, Esq., has been elected President of the City Bank at Hartford. G. F. Davis, Esq., Cashier of the Branch Bank at Litchfield, has been elected Cashier. These elections were unanimously made.

**RHODE ISLAND.**—Cyrus Harris, Esq., was, on the 16th of August, elected President of the Centreville Bank, in place of John Greene, Esq., deceased.

**NEW YORK.**—Books of subscription to the Knickerbocker Bank, to be located in the Eighth Avenue, New York City, were opened on the 6th of August. Capital, \$300,000.

**Newburgh.**—There has been an increase in the capital of the Bank of Newburgh of \$60,000, by appropriation of that amount of her surplus, and a further increase of \$100,000 is to be made on the 2d of September, 1851, by the issue of the new stock to that amount, in shares of \$25 each. The amount now on deposit in our banks, says the Newburgh paper, is \$282,677.08, and the average amount will not fall much, if any, short of a quarter of a million of dollars! Not a dollar of their stock is in the market for sale at any price.

**Albany.** — Henry H. Martin, Esq., has been elected Cashier of the Albany City Bank, in place of Watts Sherman, Esq., resigned. (*For proceedings of the Board of Directors, see the next No.*)

**Malone.** — The Bank of Malone, Franklin County, will commence operations shortly. Samuel C. Weed, Esq., is elected President.

**NEW ORLEANS.** — William H. Avery, Esq., was on the 13th of July elected President of the Branch Louisiana State Bank, at New Orleans, in place of Peter Conrey, Jr., Esq., resigned.

**MICHIGAN.** — Samuel Barstow, Esq., has been elected President of the Farmers and Mechanics' Bank of Michigan, and P. L. Green, Esq., Cashier of the same. The branch of this bank at Niles, in that State, has been discontinued.

#### THE BANK OF COMMERCE, BOSTON.

THE accompanying engraving represents the front of the new Bank of Commerce, on State Street. The front is of Connecticut sandstone, and the style of architecture, Italian. The ground floor is occupied by insurance offices, and the second or principal story by the Bank of Commerce; the upper stories are used as offices for different purposes. The builder of the bank was T. W. R. Emery, Esq., and the design was furnished by Charles E. Parker, architect.



*The Bank of Commerce. — Erected 1850.*

The building has a front on State Street of  $27\frac{1}{2}$  feet, and is four stories in height; with a depth of 68 feet to Doane Street. The cashier's room, facing State Street, is 25 by 14 feet, and the main banking-room, back of it, 54 by 25 feet. The banking-rooms are all on the second floor.

As a model for new bank buildings this is deserving an examination, because it combines economy in space with ample light for the officers, elegance of appearance, and many conveniences that are essential in the arrangement and construction of such an edifice.

VOL. I.

21

## MISCELLANEOUS.

**AUSTRIAN STATE CURRENCY.**—A report of the Austrian Minister of Finance appeared in the official Gazette for June, giving the amount of paper money now issued and in circulation in Austria, and also showing the difference of the amount at the end of April and the end of May. The following is the substance of this report:—

	End of May. Florins.	End of April. Florins.
The amount of State paper issued as money, partly bearing interest, partly without, . . . . .	171,915,160	166,133,540
The part of this State paper lying in the treasury of the National Bank, . . . . .	51,544,879	53,492,221
In actual circulation, . . . . .	117,370,281	112,671,319
National Bank notes and circulation, . . . . .	243,991,415	248,286,875
Whole amount of paper money in circulation, . . . . .	361,361,696	360,958,194

The Austrian florin is a little more than the common German florin, or very nearly half a dollar. You will thus have an idea of the immense quantity of paper money in circulation here, which is moreover constantly increasing. The difference between the end of April and the end of May is 403,502 florins, which is by far the least increase that has taken place for many months. In this respect it shows indeed an improvement. The premium on silver still remains, however, about 30 per cent. The financial measures that were expected, to restore the paper money to par, have not yet made their appearance.

**THE STATUTE OF LIMITATION.**—A case was tried yesterday in the Superior Court, brought by a Mr. Cottrell, of London, against the widow of the late John Brock, a jeweller in Chatham Street, and the executrix to his estate. It seems that Brock, whose real name was Flower, was clerk and manager to Cottrell in London, until 1829, when he came to this country, and with about £1,000 of his employer's money, and assuming the name of Brock, opened a jewelry store in Chatham Street. He died in 1848, leaving, it is said, over \$30,000; and the present suit is to recover the £1,000 with interest, amounting in all to over \$10,000.

It was proved that Brock wrote to Mr. Cottrell in 1830, stating what he was doing, and promising to pay what he owed him as soon as he became rich enough.

In defence, the statute of limitation was set up, and the Court charged, that if a party comes openly and publicly into this State, and remains in it six years, the statute of limitation will apply; but it must be so open and notorious, that a creditor with ordinary diligence could have served process upon him. If the creditor could have found this man with ordinary diligence, the verdict must be for defendant, otherwise for plaintiff.

The jury gave a verdict for the plaintiff for \$10,024.—*New York Mirror.*

**ROBBERY AT THE LONDON AND WESTMINSTER BANK.**—One of the most extraordinary bank robberies which has occurred in the metropolis for some years past took place on Saturday evening last, at the west-end branch of the London and Westminster Bank in St. James's Square. Happily the vigilance of the police has in this instance effected the double object of the apprehension of the thieves and the recovery of the property stolen, the robbers being taken with the cash-box in their possession within 200 yards of the scene of the robbery.

The circumstances of the robbery may be thus briefly told:—About six weeks ago Inspector Lund and Sergeant Whicher, two very active and intelligent officers of the detective police force, while walking across Trafalgar Square, observed a man named John Tyler, whom they knew to be a returned convict, loitering in the vicinity of one of the fountains. With a tact peculiar to themselves they watched his movements, and presently traced him into the Mall of St. James's Park, where, on arriving near the "milk-stands," he was joined by an old man named William Cauty, on whose movements the police have had an anxious eye for some years past. Cauty and Tyler left the park together, closely observed by the officers, and, after taking a long round, they were seen to enter the London and Westminster Branch Bank, in St. James's Square. Cauty entered first, and remained in the bank about ten minutes, when he came out and signalled his companion to enter. It was remarked that Tyler had a

great coat upon his arm at the time, and the movements of the two men, combined with their known characters, induced the officer to watch them very narrowly. They left the bank together in about a quarter of an hour after they had entered, and no ground of suspicion that a robbery had been committed having arisen, Inspector Lund contented himself with "marking them down." From this day until Saturday last the two men have been kept under a close surveillance. They have generally met daily, and frequently at the same spot, — the milk-stand in St. James's Park. From this place they were repeatedly watched to the London and Westminster Bank, and Mr. Commissioner Mayne having been made acquainted with the circumstance, advised that the parties at the bank should be put upon their guard. Mr. Inspector Lund accordingly waited upon Mr. Oliver Vile, the manager of the west-end branch, and acquainted him with the facts which had come to his knowledge. Mr. Vile was naturally much alarmed, and having informed Mr. Lund that on some occasions the bank cash-box contained property to the amount of £ 100,000, and that it was open to the reach of any person in the bank when his back was turned, an arrangement was made to place the moneys of the bank in security, and to allow the cash-box, with certain marked notes and papers, to occupy its usual position in the manager's counting-house. On Saturday week Cauty and Tyler were tracked to the bank, which they both entered together, as it is believed, with the intention of securing the cash-box. The entry of a sergeant of police, in uniform, at the same moment to obtain change for a check, seems to have thwarted the thieves on this occasion, and they again left the bank without effecting their object. On Saturday last, Lund and Whicher again tracked Cauty to the Mall in St. James's Park. He arrived at the old spot about a quarter to three o'clock, and before the hour had chimed Tyler joined him. The officers were compelled to keep at a great distance in order to avoid exciting observation, but having marked their game well they again watched them into the London and Westminster Bank. By the kindness of the Earl of Dartmouth the officers were permitted to take up their stations in the hall of his mansion, which commands the entrance to the bank. Cauty and Tyler left the park by the Duke of York's steps, and after drinking together at a public-house in Pall-mall, Cauty proceeded to the bank, which he entered alone, leaving Tyler outside. It was remarked that Tyler, instead of having a coat upon his arm as usual, was on Saturday provided with a black bag. After Cauty had been in the bank a few minutes he came out; and, raising his hat twice as a signal, his companion entered. In about three minutes both the thieves were observed to leave the bank together, — the bag which Tyler carried evidently containing some heavy substance. Inspector Lund and Sergeant Whicher allowed the two men to proceed as far as the end of Charles Street, where it enters the Haymarket. On arriving at this point they were both pounced upon and secured. In reply to Mr. Lund's inquiry, Tyler admitted he had a box in his bag, but he declined to describe its contents. When brought together, both prisoners strenuously denied any knowledge of each other. The parties were first conveyed to Scotland Yard, and subsequently to the King Street station, where they were formally charged with the robbery.

It is impossible to believe that the crime can have been conceived and carried out unless with the collusion of some parties in the bank, and great hopes are entertained that the guilty individuals will be brought to justice forthwith.

The prisoners will be brought up for examination this day at Marlborough Street police office. — *London Times*, June 30.

**THE BANK OF FRANCE.** — The *Constitutionnel* remarks as follows on the position of the bank: —

"The bank has announced, that its dividend for the first half-year of 1851 is fixed at 55*f*. which is better than was hoped for. This result is principally owing to the interest paid by the state on the 50,000,000*f*. which is still remaining due on the loan of 150,000,000*f*. and to the recovery of overdue bills amounting to more than 700,000*f*. for Paris alone in the half year, as the discounts are still very unproductive. The recovery of from 500,000*f*. to 600,000*f*. of overdue bills is reckoned on for the next half-year, and probably there will also appear in the receipts the interest on the loan which the city of Paris is about to contract with the bank. The next half-year may, therefore, give a dividend nearly equal to that of the last one, notwithstanding the stagnation of business, which does not come up to the level which it had reached in 1849 and 1850."

The *Moniteur* publishes the following weekly debtor and creditor account of the Bank of France, made up to June, 1851:—

DEBTOR.	Francs.	Cts.
Capital of the Bank, . . . . .	67,900,000	0
Capital of the branch banks, . . . . .	23,350,000	0
Reserve of the Bank, . . . . .	10,000,000	0
Reserve of the branch banks, . . . . .	2,980,750	14
Reserve of the Bank in landed property, . . . . .	4,000,000	0
Bank-notes in circulation, . . . . .	413,983,800	0
Ditto of the branch banks, . . . . .	106,838,275	0
Bank-notes to order, . . . . .	6,495,113	17
Treasury account current (creditor), . . . . .	104,353,852	11
Sundry accounts current, . . . . .	98,836,512	92
Ditto of the branch banks, . . . . .	34,090,229	0
Receipts payable at sight, . . . . .	6,881,500	0
Ditto of the branch banks, . . . . .	3,192,026	0
Dividends payable, . . . . .	5,249,449	25
Liquidation of the Algiers Bank, . . . . .	7,760	0
Expenses anticipated, . . . . .	277,522	33
Discounts and sundry interests, . . . . .	1,801	07
Ditto of the branch banks, . . . . .	65,645	0
Re-discounted during the last six months, . . . . .	96,733	70
Ditto by the branch banks, . . . . .	227,245	0
Received on account of protested bills, . . . . .	269,730	18
Sundries, . . . . .	797,384	87
Total, . . . . .	Francs 889,895,329	74

CREDITOR.	Francs.	Cts.
Cash on hand, . . . . .	447,754,186	76
Cash in the branch banks, . . . . .	144,925,161	0
Commercial bills overdue, . . . . .	672,427	90
Commercial bills discounted, but not yet due, of which 14,902,945f. were received from the branch banks, . . . . .	39,609,318	16
Ditto in the branch banks, . . . . .	67,868,786	0
Advanced on a deposit of bullion, . . . . .	1,849,400	0
Ditto by the branch banks, . . . . .	1,754,425	0
Advanced on French public securities, . . . . .	8,399,440	74
Ditto by the branch banks, . . . . .	2,130,175	0
Advanced to the state on treasury bonds of the Republic, . . . . .	50,000,000	0
Advanced to the state on the loan of the 30th of June, 1848, . . . . .	50,000,000	0
Government stock reserved, . . . . .	10,000,000	0
Ditto disposable, . . . . .	42,678,118	53
Vested in public securities by the branch banks, . . . . .	12,952,725	74
Hotel and furniture of the bank, . . . . .	4,000,000	0
Landed property of the branch banks, . . . . .	3,550,298	0
Interest in the National Discount-Office, . . . . .	200,000	0
Interest of the ex-departmental banks, in the National Discount-Offices, . . . . .	230,000	0
Expense of the management of the bank, . . . . .	10,555	0
Ditto of the branch banks, . . . . .	1,310,311	91
Sundries, . . . . .	1,310,311	91
Total, . . . . .	Francs 889,895,329	74

Certified by the Governor of the Bank of France,

D'ARGOUT.

It appears from the foregoing account that the cash in hand has increased by 500,000f. The commercial bills discounted have increased by 1,800,000f. The bank-notes in circulation have increased by 16,000,000f. The balance to the credit of the treasury has decreased by 15,500,000f. The sundry credits have increased by 3,500,000f.

**THE BANK OF FRANCE.** — The shares of the Bank of France are quoted at 2,110f.; the bank announces a half-yearly dividend of 55f., — more than was expected. The *Moniteur* has published the custom-house returns for the first five months of this year. On the whole they are not unsatisfactory. There is some relative diminution of imports; the factories have not demanded as much raw material as last year during the corresponding period; but the exports are more considerable, especially of wines. Yesterday afternoon, in the Assembly, the main subject was a series of regulations for the colonial banks. This article occasioned much debate and finally was adopted. Here is a part of the discussion: —

"Article 8 declares that the receivers of registration dues are to hold registers, 1st, for the transcription of acts of loan on growing crops, and 2dly, for declarations of opposition called forth by such acts. When any land-owner wishes to borrow money on the growing crops, he must give due notice of his intention a month in advance, so as to allow any legal opposition to be made to that course.

"M. St. Beuve was decidedly opposed to having money lent on the security of the growing crops, that is, on property liable to lose in value by all the variations of the weather.

"M. Ch. Dain defended the article, observing that the growing crops were really the only property in the colonies on which money could be advanced. Every necessary precaution had been taken by the committee, and one of the principal ones was that not more than a third of its presumed value could be advanced on any growing crop.

"M. LeVavasseur had to remark that a measure similar to that mentioned in the article had been tried in the United States, but had been after a time given up, the result being bankruptcy. The French colonies were in a situation to produce a similar result.

"M. Perrinon. — By no means, as money will be always obtained on sugar.

"M. LeVavasseur feared much that the result would be most destructive. He believed that if the present article was adopted, it would prove the ruin of the planters' credit in the mother country.

"M. Benoist D'Azy considered that M. LeVavasseur exaggerated the dangers of the loans spoken of in the article. If he were to examine more accurately the failures of certain banking-houses in the United States, to which he had alluded, he would find that he had mistaken the causes of the discomfitures alluded to. Permit me, said the hon. representative, to mention to you a case which proves that loans of the kind spoken of may be on the contrary exceedingly advantageous. At New Orleans, a certain number of planters united together, and, mortgaging their property, made up nine millions of francs in Holland, and founded a bank for loans, which gave a return of fourteen per cent. on the capital invested." — *Paris Correspondent, New York Journal of Commerce, June 26, 1851.*

**MUNIFICENCE OF A BANKER IN OHIO.** — *Citizens' Bank, Cincinnati, Feb. 10, 1851.* — Madam, — Herewith you will please accept from me the inclosed donation of four thousand five hundred dollars. This sum, together with that which I have already remitted, forming the amount of six thousand dollars, I desire you to consider as a permanent fund towards the endowment of the Institution for aged and indigent women.

I am happy to inform you that the subscription to the building fund, up to Saturday last, had reached twelve thousand five hundred dollars. Two thousand of this has already been paid, and is now lying in my bank subject to your check. Yours, respectfully,

W. SMEAD.

MRS. D. B. LAWLER, *Treasurer of the Association.*

**BOSTON FIVE PER CENTS.** — A sale of about \$500,000 Boston City 5 per cent. stock has been made by our city treasurer, within a few days, at or about par. The purchase was made by Messrs. Blake, Ward & Co., of this city, and is understood to be on account of two eminent English banking houses, viz., Messrs. Baring, Bros. & Co., and Hope & Co. \$50,000 of the amount is paid down, and the remainder will be furnished as soon as the exchange drawn upon it can be disposed of. This transaction confirms the view just expressed in regard to the effect of the great specie accumulation in England and France. The abundance of coin will render its exportation from this country less profitable at the rates of exchange which have ruled for some time past, and stocks will go forward to serve as a substitute. — *Boston Journal, July 21.*

**THE DIAMONDS AND JEWELRY IN THE GREAT EXHIBITION.** — The great diamond, the Koh-i-noor, is at present decidedly the lion of the Exhibition. A mysterious interest appears to be attached to it, and now that so many precautions have been resorted to, and so much difficulty attends its inspection, the crowd is enormously enhanced, and the policemen at either end of the covered entrance have much trouble in restraining the struggling and impatient multitude. For hours yesterday there were never less than a couple of hundred persons waiting their turn of admission, and yet, after all, the diamond does not satisfy. Either from the imperfect cutting, or the difficulty of placing the lights advantageously, or the immovability of the stone itself, which should be made to revolve slowly upon its axis, few catch any of the brilliant rays that it reflects when viewed at a particular angle. The Derrea-i-noor, or Sea of Light, although comparatively insignificant in point of value, is much more brilliant and effective, from the large surface it exposes. The diamond is in the northern compartment of India, and is set with some smaller ones as an armlet. Next to the Mountain and the Sea of Light is Mr. Hope's great diamond, which weighs 177 carats. It is in the south central gallery, among the British jewelry, inclosed in a massive casket, the top of which is secured with plate-glass and bars of brass. It has a delicate bluish tinge, like the sapphire, is cut in small facets in the shape of a medallion, surrounded by twenty large diamonds of the purest water, and from its size and color is said to be unique. Its value among lapidaries is estimated at about £ 30,000, but it is understood that Mr. Hope obtained it for 13,000 guineas, the diamond-merchant in whose possession it was being in want of money, and finding some difficulty in meeting with a customer for so valuable a gem. The fourth great gem of the collection must be sought for in one of the most remote corners of the Exhibition, on the ground floor near the western entrance. It is in Mr. Tennant's well-arranged collection of minerals and gems, and is a large crystal of pure emerald, only partly cut, the property of the Duke of Devonshire, who, without regarding the risk, placed it in Mr. Tennant's case. To those who are curious in mineralogical specimens, this little-visited corner will prove a rich treat. Mr. Tennant has some large specimens of Oriental ruby, cylindrical crystals of beryl from Siberia, crystals of topaz, onyx, and opal. There is also here a small mountain of crystals of Brazilian amethysts, and many specimens of gems in the rough state.

In the British department, among the gorgeous and costly display of jewelry and gold and silver plate, there is a small case which attracts particular attention. It contains imitations in crystal of all the largest diamonds in the world. The largest and most valuable of these is the ugliest and most uninviting in its appearance; it is one of the Portuguese crown jewels, and from its astounding value, which is set down at £ 5,644,000, it has never been intrusted to any diamond merchant to cut or polish. In size it resembles a large turkey egg with a piece notched out of the side; it is semi-transparent on the surface, and weighs 1,680 carats. The great Russian sceptre diamond is next in point of size and value; its weight is 779 carats, and its value, being without a flaw and of very fine water, £ 4,854,000. The Great Mogul rose diamond is estimated at £ 632,000, and the Portuguese round brilliant at £ 369,000. Russia has also another ovoid brilliant, worth £ 297,000, and there is a little, flat, smooth-faced Persian diamond, with the fanciful name of "the Sea of Glory," set down at £ 34,000. There is also the great German brilliant valued at £ 155,000, and another finely-cut Persian gem, called "the Mountain of Splendor," valued at £ 145,000. The Pigott diamond, sold by Rundell & Bridge for £ 30,000, is cut in very small facets, and is of an oval form. France possesses the great Pitt or Regent diamond, worth £ 150,000; an English gem, called the Hornby diamond, sold to Persia for £ 8,000, and afterwards obtained by France; and the third great French diamond is of a sky-blue color, and is estimated at £ 150,000. Two smaller round Persian diamonds are set down at £ 16,000 and £ 18,000. The Russian cone diamond is valued at £ 10,000, and a Russian table diamond, perfectly flat, and with very little cutting, £ 35,000. One of the smallest, but not the least interesting specimen in this singular collection is a little round diamond, valued at £ 600; its interest centres in the fact that its finding obtained the freedom of the Indian slave by whom it was discovered in one of the Brazilian mines. A lump of native Californian gold, about the size of a man's hand, and valued at £ 800, is also to be seen in this neighborhood, and has also its little tale of interest attached to it. The valuable mass was discovered and brought home by an Irishman, who was on the point of leaving the country in a state of utter destitution. In the United States and the Russian compartments, smaller masses of native gold are to be seen, and Chili sends several specimens of valuable gold ore. — *European Times*.

**LIBERALITY OF A LONDON BANKER.** — President Roberts, of Liberia, writes : — " We have discharged our liabilities to the Chiefs for the territories of Grand Cape Mount, Sugaree, Manna River, and Soloma. We have yet to meet the payments for two other tracts, and to purchase a small strip bordering on the Shebar, to close our purchases on the northwest, which will require about four thousand dollars. As yet we have received from Mr. Gurney (Samuel Gurney, Esq., of London, who generously subscribed £ 1,000 towards the purchase of territory) only £ 500. The remaining £ 500, he informs me, shall be paid when we shall have purchased the whole of the northwest coast, according to his original agreement."

#### CIRCULATION AND COIN IN IRELAND.

Average Amount of Bank-Notes in Circulation, and of Coin held, during the four weeks ending Saturday, June 14, 1851. (See also pp. 213 - 226 present No.)

Name and Title.	Circulation authorized.	Average Circulation.	Average Amount of Coin.
	£	£	£
The Bank of Ireland, . . . . .	3,738,428	2,640,900	609,536
The Provincial Bank of Ireland, . . . . .	927,667	581,918	254,299
The Belfast Banking Company, . . . . .	281,611	232,840	122,779
The Northern Banking Company, . . . . .	243,440	166,326	51,129
The Ulster Banking Company, . . . . .	311,079	209,528	61,186
The National Bank of Ireland, . . . . .	761,757	577,727	195,471
The Carrick-on-Suir National Bank of Ireland, . . . . .	24,084	8,800	2,926
The Clonmel National Bank of Ireland, . . . . .	66,428	30,679	10,629

**BEFORE THE LONDON STATISTICAL SOCIETY, May 19, 1851.** — The Rev. E. W. Edgell in the chair. Mr. T. J. Brown read a paper " On the National Debt and Revenues in Proportion to the Population and Extent of Area of the various States of Europe." The data of this paper were obtained from the Almanac de Gotha, a work by Oberhausen; Reden's Statistical Journal; Ritter's Statistical Geography; another by Richter; and the Conversations-Lexicon, published at Leipsic by Brockhausen.

The total amount of debt borne by the fifty-eight European states was shown to be 1,753,278,127 pounds sterling, of which the eight republics sustained three twentieths, and the monarchies the remaining seventeen twentieths.

Every geographical square mile in Europe is burdened with an average of 9.740 pounds sterling of the public debt, — Hamburg sustaining the maximum of debt in proportion to its area, and Prussia and Turkey the minimum. And in proportion to the population of Europe an average of £ 6 15s. per head was indicated in this case, — the Netherlands sustaining the maximum, and Prussia the minimum.

The revenues of the European states yield a total of £ 207,301,752, of which £ 53,386,293 is derived from the republics, and £ 153,915,459, or three fourths, from the monarchies, — Spain holding the worst position as regards the amount of revenue opposed to the national debt, the interest on which at 5 per cent. would consume the whole revenue; whilst Prussia requires only a fourteenth of its revenue to be so applied.

The paper was purely statistical; and proved that it is not the amount of debt that undermines the state's credit, but the want of natural resources to cover the required interest. — *London Athenæum*.

**BANKING IN NEW ORLEANS.** — The following advertisement appears in the New Orleans papers : —

" *Free Banking.* — The subscriber will commence banking on his individual account at No. 107, Gravier Street, on the 26th instant, under the name and title of the ' Bank of Commerce,' associating others with him as soon as the existing tax laws shall be so modified as to render an association of individuals for banking practicable; for which purpose arrangements have been made. No revision or enactment of other laws is necessary to give full scope to free banking.

" The funds of the savings bank department will be kept separate from the other concerns of the bank, — the Manager and Trustees to be elected by the stockholders as soon as the association shall be formed.

JACOB BARKER.

" *New Orleans, July 24th, 1851.*"



## NEW BANK LAWS.

## NEW HAMPSHIRE.

Section 1. *Be it enacted, &c.* That the capital stock of each and every bank in this State, chartered previous to the present session of the Legislature, shall be fixed and limited to the amount subscribed and actually paid in under their respective charters on the first day of October, A. D. 1851, any law, or the provisions of any charter, to the contrary notwithstanding.

Section 2. This act shall take effect upon its passage.

Approved, July 2, 1851.

## CONNECTICUT.

*Be it enacted by the Senate and House of Representatives, in General Assembly convened:* That every president, director, cashier, secretary, treasurer, teller, clerk, book-keeper, or agent of any life insurance, or any insurance company incorporated by authority of this State, who, while in the employment of any such insurance company, shall take, purloin, secrete, or in any way appropriate to his own use, or to the use of others, any of the moneys, coins, bills, notes, credits, or other choses in action, belonging to, or deposited in or with such insurance company, with intent to defraud or prejudice any person or persons, or body politic or corporate; or who shall falsely make any entries of moneys, coins, bills, notes, checks, or other choses in action, in or upon any of the books of such insurance company; or shall keep false books or entries of and concerning the capital stock, deposits, issues, profits, losses, receipts, or moneys of any such insurance company, with intent to defraud and prejudice any person or body politic or corporate, shall suffer imprisonment in the Connecticut State prison, for a term not less than two, nor more than ten years.

Approved, June 27, 1851.

*An Act for the Assessment and Collection of Taxes.*

Section 15. If any owner of any share of the capital stock of any bank, insurance, or turnpike company, or other company, shall transfer such share to any other person, with the intent of evading the provisions of this act, such owner shall forfeit to the treasurer of the town in which he resides, a sum equal to one per cent. of the value of the stock so transferred, to be recovered in an action of debt on this statute.

Section 16. If any person being the owner or holder of any stock in any bank, insurance, turnpike, or bridge company, or being the owner or holder of any stock in any other company or association, which stock is subject to taxation in this State, shall, with intent to evade the payment of taxes on such stock, or to procure the same to be assessed or taxed in any other town than that in which he resides, represent, or cause to be represented, to the cashier of such bank, or to the secretary or clerk of such company, that he is a resident of any other town, other than that in which he resides, such person, so offending, shall forfeit to the treasurer of the town in which he resides, a sum equal to one per cent. of the value of such stock, to be recovered in an action of debt on this statute.

Section 17. In all cases when bank or insurance stock is mortgaged, such bank or insurance stock shall be taxed in the list of the mortgagor, in the town where he resides.

Section 18. The treasurers of the several savings banks, and savings associations, established in this State, shall, on the first day of July, 1852, and annually thereafter, in each year, on the first day of July, or within ten days thereafter, make out, under oath, and deliver to the comptroller of public accounts, a statement of the total amount of all deposits in said institution on that day, and shall, at the same time, pay

to the treasurer of this State, for the use of this State, a sum equal to one eighth of one per cent. upon the total amount of deposits in their respective institutions on that day, which shall be in lieu of all other taxes upon such institutions, or depositors therein, after the time aforesaid.

Section 19. The cashiers of the several banks, the clerks or secretaries of the several insurance companies and turnpike companies, and of other companies and associations, established in this State, the stock of which is liable to be taxed, shall annually, on the first day of October in each year, or within ten days thereafter, make out, under oath, and deliver to the comptroller of public accounts, an accurate list of all persons liable to taxation, residing without this State, who were, on the said first day of October, or any part of said day, stockholders of their respective companies, together with the number and market value of the share or shares of stock then belonging to each of said stockholders.

Approved, May, 1851.

### NEW YORK.

The Erie Canal Enlargement bill consists of fifteen sections, viz. : —

Section 1. The surplus revenue of the canals shall be applied in each fiscal year to the completion of the Erie Canal Enlargement, and of the Genesee Valley and Black River Canals.

Section 2. The Comptroller is authorized to issue "canal revenue certificates" in sums not less than fifty dollars each, and payable in periods not exceeding twenty-one years, bearing an interest of six per cent. per annum, viz. : —

#### *Canal Revenue Certificate.*

This certificate is issued under the authority of an act of the Legislature of the State of New York, entitled "An Act to provide for the completion of the Erie Canal Enlargement and the Genesee Valley and Black River Canals," passed — of — one thousand eight hundred and fifty-one; and entitles — or — assigns, to receive — dollars, on the — of —, 18—, and the interest thereon, at the rate of — per cent. per annum, semiannually, on the — day of — and the — day of — in each year, until the time when the principal sum will be receivable, at —, as provided in the said act, without any other obligation, liability, or pledge on the part of the State of New York than such as is contained in the said act.

Dated this — 18—.

And they shall be signed by the Comptroller officially, and countersigned by any transfer agent appointed by him.

Section 3. The surplus revenues of the canals for the years 1851, 1852, 1853, and 1854 shall be applied to the enlargements before enumerated. After the year 1854, such revenues shall constitute a separate fund for the payment of the interest on the certificates now authorized, and for the payment of the principal whenever due.

Section 4. The Comptroller and the Treasurer shall keep separate accounts of the canal revenue funds. The Comptroller is authorized to pay the interest on the certificates, and the principal at maturity.

Section 5. The Comptroller is authorized to invest any part of said fund, which may not be required for the payment of interest or principal of said canal revenue certificates, in any stock for which the faith of the State is pledged, or may purchase any certificates issued under this act.

Section 6. The canal revenue certificates issued under this act shall be received from banking associations, in the same manner as other stocks of the State; also from insurance companies from whom stock is required as security for the performance of their contracts.

Section 7. The Comptroller is authorized to sell certificates issued under this law, to the amount of \$3,000,000 within one year from this date; \$3,000,000 within the second year; and \$3,000,000 within the third year, if required for the completion of the enlargement of the canals; and provided sales can be made at par.

Section 8. The proceeds of sales of canal certificates, and the interest on such avails,

shall be paid into the State treasury, and applied exclusively to the completion of the three canals aforesaid; and to the payment of interest on such certificates. The sum of \$3,500,000 is appropriated for the first year; and the same sum for the second year.

Section 9. The sum of \$180,000 is appropriated for the first year's interest on the canal revenue certificates, and \$360,000 for the payment of the second year's interest.

Section 10. If, after the year 1854, the legislature shall appropriate \$350,000, or less, of the surplus revenues to the necessary expenditures of the government, such portion shall cease to constitute any part of the fund created for the payment of interest, &c.

Section 11. The Canal Board shall, until otherwise directed, adjust the rates of tolls on all the canals of the State.

Section 12. The Board of Canal Commissioners, the State Engineer and Surveyor shall contract for the completion of the Erie Canal Enlargement, and the Genesee Valley and Black River Canals. The contracts shall not exceed to the amount of 10 per cent. the sum of \$10,508,141.

Section 13. No member of the Legislature or Canal Board shall be interested in any contract or job to be performed by authority of this act.

Section 14. In case of failure of the revenues from the canals, the State shall in no event be liable for the redemption of the certificates issued under this act. "The certificates shall in no event or contingency be so construed as to create any debt or liability against the State, or the people thereof."

Section 15. The act to take effect immediately.

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We learn that there is a disinclination among some of the older banks to encourage the issues that may be based upon the canal certificates. Although very good security in the hands of long-established and well-managed banking institutions, who would have ample capital and well-known stockholders, under extraordinary emergencies, it is believed that such certificates would not be available in the hands of many of the new concerns that are got up merely as issuers of paper; and that have, in reality, no claim to the title of banks.

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To CORRESPONDENTS. — A correspondent at Louisville inquires when a bill matures that is dated February 28, at two, three, or four months. This point has long since been settled. Such paper falls due on the 28th of April, May, or June, respectively, adding three days' grace, viz. May 1, May 31, and July 1.

By the same rule, all paper dated October 28, 29, 30, or 31, at four months; or November 28, 29, or 30, at three months; or December 28, 29, 30, or 31, at two months; becomes due on the same day, viz. 28 Feb. — 3 March.

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## Notes on the Money Market.

Boston, 23<sup>d</sup> August, 1851.

*Exchange on London, 60 days, 110 to 110½.*

We have not known the money market to be in a more stringent condition than it is now, since the commencement of this work. During the whole month of August, the terms for money have been exorbitantly high, and many persons have been compelled to resort to street capital, who in ordinary times have a liberal cash balance on hand. One per cent. per month has been, within four weeks past, the ruling rate of discount on bills of the first character in New York and Boston; while paper less known has been forced into the market at 1½, 1¾, and even 2 per cent. per month.

Sterling bills still command a premium somewhat above the specie point. The best signatures in this city have commanded 10½ premium, until the present week, when a fall to 10¼ took place.

The scarcity of money has had the effect of throwing upon the market a large amount of stocks. These have sustained a fall of two to ten per cent., the latter especially in those stocks that do not rank high in public estimation. Bank stocks generally command a small premium; and State securities are firm at prices which have ruled for some months past.

We attribute the change in the money market mainly to the excessive exports of coin to Europe. This has induced the banks in the large cities to curtail their loans in some degree. This movement has affected private capitalists, who, under the influence of fear, are disinclined to operate either at the stock-board or in negotiable paper. There is now as much money in the community as there was three, or four, or six months since; but many large owners of it will not lend under the present condition of things.

The export of coin from New York alone to Europe, during the last eight months, has been about \$28,100,000, viz. :—

In January, 1851, . . . . .	\$1,266,000	In May, 1851, . . . . .	\$4,506,000
In February, " . . . . .	1,007,000	In June, " . . . . .	6,462,000
In March, " . . . . .	2,369,000	In July, " . . . . .	6,004,000
In April, " . . . . .	3,482,000	In August, " <i>estimated</i> , . . . . .	3,004,000

At the same time, there have been large amounts of American securities remitted to Europe, either to order or on sale; including United States loans, State loans, city loans, railroad mortgage bonds, &c. Without these, the shipments of coin would have been much heavier than they actually have been.

There has been too great an expansion of business in almost every department during the last three years; an expansion that was too sudden,—not warranted by the legitimate demands of trade,—and one that is now reacting upon the community. All changes in trade should be gradual, in order to be healthy; and accompanied with a correspondent increase in population, bank circulation, manufactures, &c.

The enormous exports to California in 1849–50 have proved injurious to the Atlantic States. In addition to the withdrawal of so much active capital, that trade has created a feverish excitement, and an unhealthy tone in commercial affairs, which we shall probably feel for some years to come. Already, numerous failures have occurred in Boston, New York, Philadelphia, Baltimore, and other places, which are known to have resulted from too heavy shipments to the Pacific, and a continued glut in the California market.

But the worst result has been the too heavy importation of foreign goods from Europe. This will be demonstrated by the following figures :—

Year.	Imports.	Duties received.	Exports.	Average Gov. expenditure.
1830,	\$70,000,000	\$22,000,000	\$73,000,000	\$13,000,000
1836,	190,000,000	23,400,000	128,000,000	29,000,000
1840,	131,000,000	13,500,000	104,000,000	23,000,000
1844,	108,000,000	26,100,000	111,000,000	20,000,000
1846,	121,000,000	26,700,000	113,000,000	26,000,000
1848,	155,000,000	31,700,000	154,000,000	42,000,000
1849,	147,000,000	28,300,000	145,000,000	41,000,000
1850,	178,000,000	39,600,000	151,000,000	43,000,000
1851,	225,000,000	50,000,000	175,000,000	40,000,000

The average rate of duty on foreign merchandise is about twenty or twenty-two per cent.

The figures for 1850–51 are, in part, estimated; but we think the view is the most favorable one that can be given. It is fully ascertained that the duties collected at New York alone were \$31,000,000, and at other ports probably \$19,000,000; while the aggregate exports are perhaps over-valued.

We say that this enormous increase in foreign imports is too rapid for the increased business and resources of the country. It will be found, too, that this enlarged import trade of the last nine or twelve months was based upon the high prices of cotton which ruled last Fall; prices which our planters and importers relied upon as the prices for the whole crop of the year. On the contrary, prices have fallen from fifty to sixty per cent., without any adequate export of other articles to make up for the deficit, and now the gap has to be filled with gold.

That there will be no very material diminution in the export of coin, it is only necessary to say that the average duties paid into the New York Custom-House last year were \$609,000 per week, whereas for the last week they were \$857,000. The packets and steamers continue to arrive with "very large and valuable freights of Continental merchandise." The importations of the six months of January—June, 1851 (which at New York alone were \$69,000,000), must be paid for by remittances (*in some shape*) between July and December. Fortunately for us, the English money market is very easy, and American securities are in fair demand.

The importations of gold from California since January 1st, 1851, have been about \$35,000,000, while the export has been about \$29,000,000 to Europe, leaving \$6,000,000 in this country as a basis for enlarged bank issues. We shall be fortunate if the exports for the present six months do not exceed the arrivals more than the above excess of six millions of dollars.

If our mercantile friends will bear in mind that the year 1836 was, commercially, the cause of the disasters of 1837; and that the remote and primary causes of that revolution were heavy imports and undue speculation, our readers will perceive somewhat of a parallel between 1836 and 1851. With vast resources, however, and we hope with more prudence now existing, further evils may be obviated.

We learn that the redemption of country money by the Suffolk Bank for seven months of this year has been \$ 142,000,000, equivalent to a redemption of two hundred and forty millions for the year 1851. The redemption for the last seventeen years has been as follows:—

Year 1834, . . . . .	\$ 76,248,000.00	Year 1846, . . . . .	141,539,000.00
" 1835, . . . . .	95,543,000.00	" 1847, . . . . .	165,487,000.00
" 1836, . . . . .	126,691,000.00	" 1848, . . . . .	178,100,000.00
" 1837, . . . . .	105,457,000.00	" 1849, . . . . .	199,400,000.00
" 1838, . . . . .	76,634,000.00	" 1850, . . . . .	220,932,000.00
" 1839, . . . . .	107,201,000.00	" 1851, January, . . . . .	20,763,000.00
" 1840, . . . . .	94,214,807.98	" " February, . . . . .	16,084,000.00
" 1841, . . . . .	109,088,911.40	" " March, . . . . .	18,218,600.00
" 1842, . . . . .	105,670,331.00	" " April, . . . . .	21,400,000.00
" 1843, . . . . .	104,443,000.00	" " May, . . . . .	23,100,000.00
" 1844, . . . . .	126,225,000.00	" " June, . . . . .	20,600,000.00
" 1845, . . . . .	137,977,000.00	" " July, . . . . .	21,882,000.00

We should not lose sight of the important domestic interests of the country,—the coal trade, iron trade, cotton manufactures. Pennsylvania alone has invested sixty millions of dollars in her forty-two railroads (embracing 1,132 miles), and thirty millions in her canals (including 1,000 miles). The mills of Lowell and Lawrence, the iron and coal trade of Pennsylvania and Maryland, are better worth the consideration of merchants and legislators than all the gold that California has produced or ever will produce. These are great *national interests* that affect the condition of the whole country,—interests that should be sustained.

Bids were received at Albany, on the 19th instant, for one million of the new canal certificates, bearing six per cent. interest, and redeemable July, 1861, to be issued by the Comptroller of the State. The whole amount was bid for at par, and \$ 3,500,000 more than is wanted. This fact will show that money can be obtained where confidence is felt in the securities offered.

The premium on the Canal Certificate Loan of the State of New York will be about \$ 9,750.

As long as these bonds are taken by old and well-managed banks, they will be a good security for their purposes. But when they are taken by remote and unknown concerns, and used only as a sole basis for circulation by those who do not transact a legitimate banking business, the issues of such associations will not pass as readily as the notes of regular banking institutions. In case of a severe pressure and alarm, the securities, if forced into the market, would not be wholly sufficient to redeem the circulation.

Well-managed and well-established banks have, as a basis of circulation, in the first place, a fair amount of specie in their vaults; secondly, balances in the large cities to draw upon; thirdly, active business paper maturing from day to day; and, finally, the individual resources of the stockholders. None of these are possessed, to any extent, by the numerous *banks of circulation* which are now owned in Wall Street, and pretend to carry on their business in the interior of the State.

The following are the ruling rates for money, in Wall Street, for the present week:—

Loans on call, stock securities, . . . . .	6½ to 7
Do. other good securities, . . . . .	7 to 8
Prime indorsed bills, 60 to 90 days, . . . . .	10 to 12
Do. 4 to 6 months, . . . . .	12 to 15
Auctioneers' bills, . . . . .	12 to 18
Other good bills, . . . . .	15 to 18
Names less known, . . . . .	18 to 24

## DEATH.

At Bath Alum Springs, Virginia, on Sunday, July 27, Aaron Milhado, Esq., in the 43d year of his age, President of the Branch Bank of Virginia at Norfolk.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. I. NEW SERIES.      OCTOBER, 1851.      No. IV.  
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THE SUPPLY AND CONSUMPTION OF GOLD AND SILVER.

From the London Economist, December 21, 1850.

How long the same rate of production as has existed in 1850 will continue, remains to be seen ; but if we are to give any credit to the accounts received from California, there is no chance of any immediate failure of that source of supply. Two things, then, are obvious from the comparison we have instituted :— 1st. That, compared with any former period, the entire production of the precious metals is very greatly increased ; and 2d. That the whole of that increase may be said to have been in gold, thus altering very much the relative proportions of the two metals so far as supply is concerned. It is, however, necessary to consider, in relation to the present excitement on this side of the Atlantic, that a very small proportion of the gold yet produced in California can have reached Europe. The greatest part by far has been absorbed in the United States and in the neighboring territories. It has been calculated that, from first to last, the gold which has reached Europe from California amounts only to about £ 3,500,000, — a quantity totally insufficient to have produced the effect recently experienced on the price of gold on the Continent and the exchanges of this country, even allowing a fair share of influence to the continued large supplies from Russia.

But if the means of ascertaining the precise amount of production of the precious metals are somewhat scanty and obscure, those at our disposal for determining the extent of their consumption are much more

VOL. I.

22

so. What is the entire stock of the precious metals in existence, in the shape of plate ornaments, coin, and bank reserves representing floating liabilities? What is the amount of wear and tear? What the amount of new coin required for new and rapidly rising communities in our own colonies, in the western parts of the United States, and elsewhere? What the annual demand of the jeweller, the silversmith, and the goldsmith? How much do fear and apprehension cause to be hoarded one year and released another? And while extensive new demands for the precious metals arise to supply a circulating medium for new communities, to what extent is their use economized in old countries by banking facilities, in their various forms of notes, checks, letters of credit, bankers' drafts, &c.? These are all important, nay, essential questions, to be solved in order to arrive at a just estimate of the consumption of the precious metals, and yet there is no very satisfactory data for determining the precise answer to any one of them. It is in vain we refer to any authority on these subjects. Humboldt (whose researches entitle his opinions to the greatest weight), Jacob, and other writers and compilers, are all equally vague in their estimates, and differ so widely from each other in many of them, that but little satisfaction is derived from any of them. The quantity of precious metals in use, in the shape of coin, is variously estimated at from £ 300,000,000 to £ 430,000,000; and in 1829 Mr. Jacob arrived at the conclusion that the value of *personal ornaments* and *domestic utensils*, in Europe and America, was about £ 400,000,000. Then it is said that, independent of the new coin required for an increasing population, the wear and tear, loss by fire, shipwreck, &c., is equal to about one per cent., leading to an annual consumption on this score of from £ 3,000,000 to £ 4,000,000 a year. But one per cent. appears a very large allowance on this head, if we judge by our own experience. In 1844, when attention was called by proclamation to the state of our gold coinage, and light sovereigns excluded from circulation, it was found that the loss on the coinage of 1819 and 1820 averaged rather less than 6*d.* each pound, or about  $2\frac{1}{2}$  per cent.,—or at the rate of about one tenth per cent. in each year. For other casualties, seven tenths per cent. appears a very high estimate, and is probably somewhat beyond the truth. As to the quantity of the metals required for new coin,—while it must be very considerable in new, active, and thriving communities, where large numbers of emigrants are constantly flowing in, many of whom carry with them considerable property in the shape of coins, and where the various forms of private and bank credits have not been adopted,—we much doubt whether, in old civilized countries, the quantity of coin in use does not rather diminish than increase. In this country the habit of keeping bankers' accounts among large classes of the community has grown up only during the last twenty years. Before the establishment of joint-stock banks, the practice of keeping bankers' accounts among small traders, farmers, and private persons, existed to a very limited extent, compared to the present time. And during the same period the practice of paying small private accounts by checks has very much increased. Yet, notwithstanding the extensive economy of coin which

has thus been effected, it appears certain that a large additional use of *sovereigns* has taken place of late years. We have some accounts, for which we are indebted to a high functionary of the Bank of England, bearing upon this point. On the 1st of May, 1844, the Bank of England held of gold coin £ 6,608,000. Between that date and the 27th of July, 1850, the quantity of gold coined was £ 20,484,000, making an entire supply of £ 27,092,000 of gold coin. During that period, however, light gold coin was withdrawn from circulation to the amount of £ 6,417,000 by the Bank, and on the 27th of July, 1850, the Bank held of gold coin £ 7,133,000. These facts, stated authentically, will show that, during that period of six and a half years, an amount of gold coin was issued in excess of that received, amounting to £ 13,542,000, or at the rate of more than £ 2,000,000 per annum. Thus:—

January 1, 1844, gold coin in the Bank of England, . . . . .	£ 6,608,000
" " coined from that date to July 27, 1850, . . . . .	20,484,000
Total, . . . . .	£ 27,092,000
Deduct amount of light coin taken from circulation, . . . . .	6,417,000
Total, . . . . .	£ 20,675,000
Coin on hand on the 27th of July, 1850, . . . . .	7,133,000
Balance, . . . . .	£ 13,542,000

We are aware that English gold coin is taken by merchants in preference frequently to bar gold for transmission abroad, and therefore, at particular times, that would be a sufficient reason to assign for the disappearance of so much coin. But as it happens that in July, 1850, the quantity of gold in the Bank had attained a much higher amount than in January, 1844, or during many periods in the interval, and that all the gold which had been exported in those years had been returned long before July, 1850, we are justified in concluding that no part of the coin in question was used, for the purpose of correcting the foreign exchanges, as bullion. In some respects the operation of the Bank Act of 1844 had a tendency to increase the reserves of gold coin held by country banks in England, and especially the Bank Act of 1845 had that effect in Scotland and Ireland. During that period, too, a large extension of industry took place, leading to a greater demand for coin for the payment of wages, &c. But, on the other hand, against these sources of greater demand for coin must be placed the extensive economy which even during that period has been effected by the increasing practice of using checks in small payments. But even admitting that the objects referred to have absorbed from *three* to *four* millions, still we have about £ 1,500,000 a year unaccounted for. Considering the great extent to which emigration has proceeded during the last few years, this sum would not appear a large one to have been carried out of the country. But when it is considered that a considerable portion of the funds of emigrants is taken out in the shape of goods, and that of the coin carried out a considerable quantity is returned as remittances, the sum of £ 1,500,000, as the balance retained annually for the increasing local demands of the colonies, and of those countries to which our people emigrate, appears great; though we have no doubt the consumption of



that large amount of coin is to be accounted for chiefly, if not wholly, in that way.

A very striking example of the economy of coin has recently been exhibited by France, in the adoption of notes of the denomination of 100f. and 200f. (£4 and £8) each, the lowest denomination before having been 500f. (£20). A short time ago we showed from official returns, that that step had economized the use of coin in France to the extent of more than £4,000,000 in the last two years. On the other hand, during the same period, there has been an unusual and accidental demand for coin, in other parts of Europe, almost exclusively of silver, to replace the large amounts which have been hoarded, owing to the political disturbances which have existed. However little effect this latter source of demand may have when considered in reference to a long period of years, we have no doubt its influence is much felt at this moment in respect to the recent demand for silver.

There is no reliable estimate, then, of the amount of gold and silver required to supply wear and tear of existing coins, and new coins for the increasing population of the world. But when we see that in the United Kingdom alone, where means of economizing the currency are resorted to, to an extent far greater than in any other country in the world, but where also emigration goes forward to an extent without parallel elsewhere, the consumption of gold coin has been at the rate of £2,000,000 annually during the last six or seven years, the aggregate consumption of the world in these ways must be very large. *Five millions* a year must appear a very moderate estimate.

Then as to the consumption for articles of ornament, jewelry, and plate, this also has been variously estimated. Mr. McCulloch, who possesses the happiest quality of any living writer of balancing estimates and authorities, after considering the various estimates, 1st, of the annual consumption, and 2d, of the still more disputed question as to the proportion of the entire consumption which consists of old metal, comes to the conclusion, that the annual consumption in 1843 was as follows:—

United Kingdom, . . . . .	£2,600,000	Rest of Europe, . . . . .	£1,600,000
France, . . . . .	1,000,000	United States, . . . . .	500,000
Switzerland, . . . . .	450,000	Total, . . . . .	£6,050,000

But if that writer were now making a new estimate he would probably consider the sum put down for the United States much too small, considering the rapid progress made in the interval, both in wealth and population. The same may be, but in a less degree, said of some parts of Europe. And probably, at the present day, £7,000,000 would be near the real amount. Mr. McCulloch assumes, between the contradictory estimates of Jacob, and Necker, who is supported by Humboldt, 20 per cent. as the proportion furnished by old plate, &c.; the former of the two authorities quoted adopting an estimate of  $2\frac{1}{2}$  per cent., and the latter (but which he applied only to France) of 50 per cent. Adopting Mr. McCulloch's view, we shall then have an annual demand for new metal to the value of £5,400,000 on this score. Thus making the annual consumption of the metals for the two purposes named about £11,500,000 annually.

## LAWSON'S HISTORY OF BANKING.

## CHAPTER III.

## ON BILLS OF EXCHANGE.

*Introduction of Bills of Exchange. — First Use made of them in England — Form of a Bill in the Year 1235. — Copy of a Bill in 1589. — Modern Form introduced by the Goldsmiths. — Negotiation of Foreign Bills a Royal Prerogative. — Legalizing of Bills of Exchange, 9 & 10 Will. III. — Nature of Bills of Exchange. — Difference between Bank-Notes and Bills of Exchange. — Difference between Bankers' Bills and Mercantile Bills of Exchange. — On Days of Grace. — On Foreign Bills and Exchanges. — Contrast between the Trade of England with America and that of other Countries. — Blackstone's Definition of a Bill of Exchange. — Sir John Bayley on Bills of Exchange. — Promissory Notes and Checks. — The Laws and Customs respecting them. — The late Mr. Rothschild. — Mr. Rose and "Rothschild's Pillar."*

THE immense advantages that the invention of bills of exchange has conferred on the commerce, not only of this but of all other countries, and their intimate connection with the practice of banking, necessarily compel us to devote considerable space to the consideration of their origin, the practice of merchants and traders in respect to them, and the laws which regulate them in this country.

The Jews, as we have elsewhere observed, were the first inventors of bills of exchange, so called because they afford the means by which the commodities of one country were readily exchanged for those of another; but, as England during the time of the Anglo-Norman kings had no foreign trade, their use was little known; yet we find that, in the reign of Henry the Third, by the advice of the Bishop of Hereford, such instruments were employed to a very pernicious purpose.

Henry having contracted an immense debt to the Pope, who became very importunate for its settlement, the bishop suggested to the king the following scheme for the payment of his debts without money: — That certain Italian merchants to whom the Pope was indebted should draw bills in favor of their creditors on all the rich bishops, abbots, and priors in England, for certain large sums of money alleged to have been lent by them to those prelates for the benefit of their churches. This iniquitous proposition was adopted by the king. The Bishop of Hereford was sent to Rome to procure the Pope's sanction, which was easily secured. Bills to the amount of 150,540 marks were drawn, and forwarded to the Pope's Legate in England; and the prelates, after many remonstrances and threats of excommunication, were compelled to pay them.

Matthew Paris, an English historian and Benedictine monk in the monastery of St. Albans, whose History, from William the Conqueror to the end of Henry the Third, is always quoted as an authority, in page 286 gives the form of a bill or obligation for the repayment of money upon loan, of which the following is a translation: —

"To all that shall see this present writing, Thomas the Prior and the Convent of Barnwell with health in the Lord: Know ye that we have borrowed and received at

London for ourselves, profitably to be expended for the affairs of our church, from Francisco and Gregorio, for them and their partners, citizens and merchants of Milan, a hundred and four marks of lawful money sterling, thirteen shillings and four pence sterling being counted to every mark; which said one hundred and four marks we promise to pay back on the feast of Saint Peter ad Vincula, being the first day of August, at the New Temple in London, in the year 1235. And if the said money be not all paid at the time and place aforesaid, we bind ourselves to pay to the aforesaid merchants, or any one of them, or their certain attorney, for every ten marks forborne two months, one mark of money for recompense of damages which the aforesaid merchants may incur by the nonpayment of it; so that they may lawfully demand both principal, damages, and expenses as above expressed, together with the expenses of one merchant, for himself, horse, and servant, until such time as the aforesaid money be fully satisfied. And for the payment of such principal, interest, damages, and expenses, we oblige ourselves, our church, movable or immovable, ecclesiastical or temporal, which we have or shall have, wheresoever they shall be found, to the aforesaid merchants and their heirs. And do further recognize and acknowledge that we possess and hold the said goods for the said merchants by way of courtesy, until the premises be fully satisfied; renouncing also, for ourselves and successors, all help of canon and civil law, all privileges and clerkship, the Epistle of St. Adrian, all customs, statutes, lectures, indulgences, and the see apostolic; as also the benefit of all appeal or inhibition from the king of England, with all other exceptions, whether real or personal, that may be objected against the validity of this instrument. All which things we promise faithfully to observe; and in witness thereof have set hereto the seal of our Church. London, 24 April, Anno Domini, 1235."

The above form was subsequently much abridged, as appears by the following, which is a copy of a bill in the reign of Elizabeth:—

"Witneseth this present bill of exchange, that I, Robert Anderson, merchât of the city of Bristowe, doe owe vnto Thomas Mun, merchât of the said city, the summe of 100 duckets; I say an hundred duckets of currant monie of Spaine, accompting after 11 rials of plate to the ducket; to be paid vnto the said Thomas Mun, or his assignes, within 10 daies next and ymmEDIATELY after the safe arrivall of the good ship called the Gabriel of Bristowe to the port of S. Lucai in Andalouzia in Spaine, or any other port of the discharge. And for the true paiement thereof I, the above named Robert Anderson, do bind me, my goods, my heires, executors, and assignes, firmly by these presents. In witnesse of the truth, I have caused two of these billes to bee made (the which the one being paid, the other to be void), and have put my firme and seale vnto them, and deliured them as my deed in Bristowe, the 15 day of September 1589, and in the 31 yeere of our Soueraigne Queene Elizabeth her Maiesties reigne," &c.

It is evident that these bills were steps towards paper credit,—a mode of representing debts by tangible and transferable instruments, which might be pledged or given to a third party to receive; for, although the words "or order," which brevity and custom have since that remote period introduced, are not to be found in them, it is evident that, provided the parties to whom they were originally given put their names in due form of assignment, they could be transferred.

The author of a work entitled "*Lex Mercatoria*," published in 1622, mentions bills of debts or bills obligatory being in use among the Merchant Adventurers at Amsterdam, Middleburg, and Hamburg, and that to give currency to such bills it was the custom to put a seal upon them. The author recommends the adoption of such a mode in this country, and gives the following form, considering it as a thing scarcely known:—

"I, A. G., merchant of Amsterdam, do acknowledge by these presents to be truly indebted to the honest X. Y., English merchant dwelling at Middleburg, in the sum

of one hundred pounds, current money, for merchandise, which is for commodities received of him to my contentment; which sum aforesaid I do promise to pay to him, the said X. Y., or the bearer hereof, within six months next after the date of these presents. In witness whereof, I have subscribed the same at Amsterdam, this tenth day of July, 1662."

A remark made by this author is worthy of attention; he says, "The civil law and the law merchant do require that the bill shall declare for what the debt groweth, either for merchandise or money, or any other lawful consideration."

In the year 1651 the present method of making payments by the indorsement on bills of exchange was recommended by William Potter, in his "Key of Wealth." To give currency to such bills, he proposed 'that they should be payable before any debts whatever, as if a man had confessed a judgment of his whole estate by the payment thereof.' The origin of the present form of a bill of exchange is attributable to the goldsmiths of London, who were the first bankers who circulated paper money; their bills were called "goldsmiths' notes." In the year 1697, inland bills of exchange were, for the first time, declared legal instruments: this had been found necessary to enable the Bank of England to advance money upon them. Whether the notion of the illegality of transferring notes and bills originated in any act of Parliament expressly made for that purpose, or solely in the common law interpretation of the act against champerty, we have not been able to discover.

In the 9th and 10th of William the Third, cap. 17, is the following clause, for the better regulating the payment of bills of exchange:—

"That all bills of exchange drawn in England for five pounds and upwards, on any other place in England, and payable a certain number of days, weeks, or months after date, shall, from and after presentation and acceptance (which acceptance shall be by the underwriting the same under the party's hand so accepting), and after the expiration of three days after the said bill shall have become due, the party to whom the said bill is made payable, his servant, agent, or assigns, may and shall cause the said bill to be protested by a notary public, or any other substantial person of the city, town, or place, in the presence of two or more witnesses, refusal or neglect being first made of due payment; which protest shall be first made and written under a fair written copy of the said bill, signifying that—

"I, A. B., on the \_\_\_\_\_ day of \_\_\_\_\_ at the usual place of abode of the said C. D., have demanded payment of the bill, of which this is a copy, which the said C. D. did not pay; wherefore I, the said A. B., do hereby protest the said bill, dated the \_\_\_\_\_, which protest shall, within fourteen days after, be sent, or otherwise due notice shall be given thereof, to the party from whom the bill was received; and who, upon producing such protest, shall repay the said bill, together with interest and charges. And in default of such protest, of which only sixpence shall be charged, or due notice, the person so failing shall be liable to all costs, damages, and interest accruing thereby. Provided, that if any such bill be lost or miscarried within the time limited for payment, the drawer shall be obliged to give another bill, the person to whom it is sent giving security, if demanded, to the drawer, to indemnify him in case the lost bill should be found again."

The law of bills of exchange has undergone numerous revisions since this act was passed; yet, as it is the first of the kind that we have met with, we consider that, on that account, its insertion here was requisite.

Instruments more perfect than bills of exchange, for the objects for which they were invented, could not possibly be devised or desired.

No cumbrous deeds to settle or engross ; no lawyer, witness, or traveling expenses ; no time lost in completing the security ; easily transmitted from one to another, and having in law all the power and validity of the most formal instrument.

All these advantages combined make them for all the purposes of commerce better than any other description of security ; passing as they do from hand to hand, their security increases at every stage, each party to a bill becoming responsible to the last indorser for its payment, in the event of its dishonor.

Many persons, however, unconnected with business, still entertain antiquated prejudices, and look with a degree of suspicion on all transactions which are conducted through the medium of bills of exchange. They do not give themselves the trouble to reflect, that nearly nine tenths of the business carried on throughout the whole of Great Britain is effected through the instrumentality of debts and obligations payable at some future period.

The means of arriving at a knowledge of the actual amount of bills of exchange in circulation at any one time are very limited ; yet by taking the amount paid for bill stamps, as returned by the Stamp Office, and by averaging both the dates and amounts of bills answering to the several denominations of stamps in that return, something like an approximation to the total amount may be arrived at. In this way the late Mr. Leatham, a banker at Wakefield, estimated the amount of bills of exchange circulated in England in the year 1839 to be £ 528,493,842, and the amount of bills out at one time to be £ 132,123,460. "How magnificent," adds Mr. Leatham, "and yet how fearful to contemplate, that this immense amount should be deranged, and in the greatest disorder, as I saw it in 1825 - 26."\*

We quote a few of the articles comprehended in the above amount, as delivered in evidence before a select committee of the House of Lords in the session of 1841, on "Interest of Money" : —

Sugar £ 13,000,000, tea £ 6,000,000, coffee £ 2,000,000, tobacco £ 5,000,000, wine and spirits £ 7,000,000, British spirits £ 11,000,000, cotton £ 10,000,000, silk £ 3,000,000.

The average date of bills drawn in this country by the trades, or by the bankers to represent transactions in trade, are almost all of them within three months, excepting those from the manufacturing districts of Manchester, Birmingham, Sheffield, and Leeds, which are generally at three and four months after date.

Although there are many points in which a bill of exchange and a bank-note closely resemble each other, there are others in which there is a distinct and material difference between them. A note purposes to be payable on demand ; it is not indorsed by a holder on his paying it away ; the party receiving it has no further claim on the party from whom he received it, in the event of the failure of the issuer, should he not demand payment within a reasonable time after he has received it. The question of what is a reasonable time is generally left to a jury.

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\* See his Letter to Charles Wood, Esq., on the Currency.

The principal distinction between bank-notes and bills of exchange is, that every individual on passing a bill to another has to indorse it, and by so doing renders himself responsible for its due payment. "A bill circulates," says Mr. Thornton in his treatise on Paper Credit, "in consequence chiefly of the confidence placed by each receiver of it in the last indorser, his own correspondent in trade; whereas the circulation of a bank-note is owing rather to the circumstance of the name of the issuer being so well known as to give it universal credit."

Notes form the currency of all classes, not only of those who are, but of those who are not, engaged in trade. Bills, on the other hand, pass only, with few exceptions, among persons engaged in business, who are fully aware of the risks they run in taking them. There is plainly, therefore, an obvious distinction between the two species of currency; and it cannot be fairly argued, that, because government interferes to regulate the issues of one, it should also regulate the issues of the other.

There is also a difference between bankers' bills of exchange and mercantile bills of exchange, inasmuch as the former are essentially in their nature the same as bank-notes payable on demand; but they are less secure than notes payable on demand, because the banker may fail before the bill becomes due.

The issue by a banker of his bill is not a proof of any transaction in trade; it is a mere exchange of credits. The banker creates, and puts out, a piece of paper that will circulate against one or many that will not circulate. The banker's bill of exchange will circulate, because the confidence in his ability to pay the bill at maturity is undoubted; the difference, therefore, between the bill of exchange which the banker creates entirely upon himself, and those other bills of exchange which are created by the customers of the bank, is, that the latter are the real types of the quantity of business done upon credit, whilst the credit which circulates is the quantity which the banker chooses to send out of either sort.

All bills drawn at any place in Great Britain, by parties who have not compounded for the duty, must be drawn on a stamp, and according to a scale settled by Parliament. All bills drawn out of England are exempt from such stamps, and are called foreign bills, and are usually drawn in sets of three bills, beginning with "Pay this my first of exchange, second and third not paid"; or "Pay this my second of exchange, first and third not paid"; or "Pay this my third of exchange, first and second not paid." The party drawing these bills usually sends one to his correspondent in London, to obtain its acceptance by the party on whom it is drawn; and he either sends the other, when only two are drawn, to any one to whom he has to make a remittance, or sells it at the exchange of the day at the place in which he resides. In the two latter cases a memorandum is made at the bottom of the bill, intimating that "the first accepted with A. B. and Co., Lombard Street, London"; and, on the production of the bill put in circulation, A. B. and Co. deliver up the accepted bill, when they are negotiable here as one bill.

It is almost a universal custom among merchants, in all parts of the world, that a person to whom a bill is addressed shall be allowed a few

extra days beyond the time named on the bill for paying the same, called "days of grace," originally so called because they were gratuitous; they are now demanded as a right. In Great Britain and Ireland three days are allowed; in other places more. If the last of these three days happen to be a Sunday, the bill is payable on the Saturday preceding; so that in fact such bills have only two days' grace; but days of grace are not allowed on bills payable at sight. If bills become due on Sunday, or on such days on which the law forbids business to be done, payment must be demanded or protest made for nonpayment on the preceding day.

When a bill is drawn payable on a given day, three days' grace are allowed; but if the bill expresses that it is payable on the day of the week, say Wednesday, the 28th January, the days of grace are not allowed, but the bill must be paid or protested on the Wednesday.

When the time of payment is limited to months, such time must be computed by calendar, not lunar months; and when one month is longer than the succeeding, it is a rule not to go, in the computation, into a third. Thus with a bill drawn on the 28th, 29th, 30th, or 31st of January, payable one month after date, the time expires on the 28th of February; and, adding the three days' grace, all bills drawn on those days will consequently be due on the 3d of March, with the exception of leap year, when bills drawn on the 28th of January, at one month, will be payable on the 2d of March. When a bill is made payable so many days after sight, or from the date, the day of presentation or date is excluded.

Almost all bills drawn abroad are drawn at one or more usances either after sight or date. The Italians say *uso doppio* for double usance or two usances. The term is longer or shorter according to the different countries. In France the usance for bills drawn from Spain and Portugal is sixty days' date; from other countries, thirty days' date. Bills are generally drawn on Amsterdam, Cadiz, Genoa, Hamburg, Leghorn, London, Madrid, Naples, and Venice, at sixty days' date. Marseilles, however, draws on Genoa at thirty days', and on Leghorn and Naples at forty-five days' date. Ten days' grace are allowed on bills payable at one or more usances, at so many days' date or sight, or on a special day; but bills drawn *à vue* must be paid on presentation. Bills made payable at a fair must be settled on the last day, or on the very day if the fair lasts but one day. In London the usance for bills drawn from Holland, Germany, or France is one month; from Spain and Portugal, two months; and from Italy, three months; all after date: the days of grace are the same as on inland bills.

The usance at Venice for bills drawn from London is three months after date; six days' grace are allowed, after which they must be either paid or protested. Protests are made by the *fanti* or clerks of the commercial college, who enter all the bills they protest in a book, to which every merchant has free access. Thus many bills which would otherwise be returned are accepted, and paid for the honor of the drawer or indorsers. This practice is also useful in giving early notice of approaching insolvency.

There are two classes of persons in this country, whose business is almost exclusively confined to dealing in bills of exchange, viz. bill brokers and foreign exchange brokers; the former may be said to be the middle party between those who have money to lend and those who wish to borrow. They were on their first introduction barely tolerated; but, from the high character of one house, a bill broker may now walk Lombard Street with his head erect.

Bankers find in bill brokers useful instruments for employing their surplus capital. Yet, seeing that the best, and indeed the only legitimate, mode of employing money by bankers is that of discounting bills, the transferring of any portion of such business to bill brokers is somewhat anomalous.

"A bill broker," says Mr. Windham Beawes, "ought to be a man of honor, and know his business; he should avoid babbling, and be prudent in his office, which consists in one sole point, that is, *to hear all and say nothing*; so that he ought never to speak of the negotiations transacted by means of his interventions."

The business of foreign exchange brokers consists in transacting the details attending the negotiation of foreign bills of exchange; they procure money for bills on foreign merchants, and procure bills for those who have payments to make to their foreign correspondents, all which is transacted on the Royal Exchange every Tuesday and Friday. The rate of the different exchanges on every country in Europe is then and there fixed by the principal brokers, which rate, so agreed on, is on those days the standard for every negotiation.

A broker, by knowing the mutual wants of merchants, is a most important and useful intermediate agent in this case; and when an intelligent man, he knows the general situation of the balance between any two countries; and as it is his interest that all transactions passing through his hands should be on a fair principle, the rate of exchange is generally fixed with more accuracy than it would be if the merchants were to transact the business directly with one another; for, being interested in concealing their transactions from each other, they could not so well understand the situation of the market.

The course of exchange between countries is primarily regulated by the relative value of the current specie in each respective country. Those which have a great diversity of circulating specie generally regulate their currency by reckoning an *agio*, which varies in different countries. Bills drawn in Great Britain upon Hamburg or the Netherlands are considered payable in *banco*, that is to say, in money, either real or fictitious, of a certain standard value; and the party on whom such bills are drawn sometimes receives, but mostly pays, an *agio* or discount proportioned to the intrinsic value of the currency.

All bills drawn on Great Britain are supposed payable in the standard coin of the kingdom; there is consequently no necessity for an *agio*; yet the exchange is more or less favorable according to the purity or deficiency of the current specie, or from any sudden increase or diminution of the bills drawn in one country upon another.

The *par* of the currency of any two countries means, among mer-



chants, the equivalence of a certain amount of the currency of the one in the currency of the other, supposing the currencies of both to be of the precise weight and purity fixed by their respective mints. Thus, according to the mint regulations of Great Britain and France, one pound sterling is equal to 25 francs 20 cents, which is said to be the par between London and Paris. And the exchange between the two countries is said to be at par when bills are negotiated on this footing; that is, for example, when a bill for £ 100 drawn in London is worth 2,520 francs in Paris, and conversely. When £ 1 in London buys a bill on Paris for more than 25 francs 10 cents, the exchange is said to be in favor of London and against Paris; and when, on the other hand, £ 1 in London will not buy a bill on Paris for 25 francs 20 cents, the exchange is against London and in favor of Paris.

When a merchant in London wishes to discharge a debt due by him in Paris, he makes it his business to ascertain, not only the state of the direct exchange between London and Paris, but also the state of the exchange between London and Hamburg, Hamburg and Paris, &c.; for it frequently happens that it might be more advantageous for him to buy a bill on Hamburg, Amsterdam, or Lisbon, and to direct his agent to invest the proceeds in a bill on Paris, rather than remit directly to the latter place.

Dr. Kelly in his "Universal Cambist," gives the following account of the manner in which a very large transaction was actually conducted by indirect remittances. In 1804, Spain was bound to pay to France a large subsidy; and in order to do this three distinct methods presented themselves;—

First. To send dollars to Paris.

Secondly. To remit bills of exchange directly to Paris.

Thirdly. To authorize Paris to draw directly on Spain.

The first of these methods was tried, but it was found too slow and expensive; and the second and third plans were considered likely to turn the exchange against Spain. The following method, by the indirect or circular exchange, was therefore adopted. A merchant, or *banquier*, at Paris was appointed to manage the operation, which he thus conducted. He chose London, Amsterdam, Hamburg, Cadiz, Madrid, and Paris, as the principal hinges on which the operation was to turn; and he engaged correspondents in each of these cities to support the circulation. Madrid and Cadiz were the places in Spain from whence remittances were to be made; and dollars were, of course, to be sent where they bore the highest price, for which bills were to be procured on Paris, or on any other places that might be deemed more advantageous.

The principle being thus established, it only remained to regulate the extent of the operation, so as not to issue too much paper on Spain, and to give the circulation as much support as possible from real business. With this view, London was chosen as a place to which the operation might be chiefly directed, as the price of dollars was then high in England, a circumstance which rendered the proportional exchange advantageous to Spain.

The business was commenced at Paris, where the negotiation of

drafts issued on Hamburg and Amsterdam served to answer the immediate demands of the state; and orders were transmitted to these places to draw for the reimbursements on London, Madrid, or Cadiz, according as the course of exchange was most favorable. The proceedings were all conducted with judgment, and attended with complete success. At the commencement of the operation the course of exchange of Cadiz on London was 36*d.*, but by the plan adopted Spain got 39 $\frac{1}{4}$ , or about 8 per cent., by the remittance of dollars to London, and considerable advantages were also gained by the circulation of bills through the several places on the Continent.

While on the subject of exchanges we cannot avoid adverting to a remarkable contrast between the trading of England with America as compared with that of all other commercial nations. When cotton is purchased in America for the English market, the shipper values on the merchant or manufacturer to whom the cotton is consigned by a bill or bills of exchange, drawn at 60 days' sight, for the value of the purchase, together with his commission of 5 per cent., and has the facility of disposing of his bills in his own market.

When goods are purchased in Great Britain for the American market, the buyer, instead of drawing direct on the houses in America to whom the goods are consigned, values on a house in London, and the bills so drawn are accepted on commission. Herein a remarkable contrast in the trade from England to America, as compared with the trade from America to England, presents itself.

For what is imported into England a pledge is given to pay in 60 or 90 days, after receiving the bills of lading, by accepting a bill or bills of exchange, while, for what is exported to America, no pledge of the kind is afforded. There is merely an understanding that funds are to be forthcoming in time to meet the payments to which the shipper has pledged his name. In the one case, the party's name is pledged to a definite moment in his own market, where credit is of the utmost importance to him; in the other case, the name of an agent in another market is pledged for the due performance of the contract, the party really liable not being responsible for the consequence of delayed payment.

To place the trade of America on the same footing as all other commercial nations has long been a desideratum. Numerous appeals, in the shape of pamphlets and other publications, recommending the adoption of a course of exchange between the two countries, have brought conviction to the mind of almost every mercantile man; yet, strange to say, no step has yet been taken to effect the object; it is an evil which must ultimately work its own cure.

We now proceed to advert to some of the legal definitions of bills of exchange, and the laws respecting them.

Blackstone has defined a bill of exchange as an open letter of request from one man to another, desiring him to pay a sum named therein to a third party on his account, either on demand or at a certain number of days after date or after sight.

The person who makes or draws a bill of exchange is termed the drawer; he to whom it is addressed is, before acceptance, called the

drawee, and after the acceptance the acceptor; the person in whose favor it is drawn is termed the payee, and, when he indorses the bill, the indorser; and the person to whom he transfers it is called the indorsee; and in all cases the person in possession of the bill is called the holder. Besides these immediate parties, a person may become interested in a collateral way, as, when the drawee refuses to accept, any third party, although his name does not appear on the bill when first drawn, may accept, after protest for non-acceptance by the drawee, for honor of the bill generally, or of the drawer, or of any particular indorser; in which case such an acceptance is an acceptance *supra protest*, and the person making it is styled the acceptor for the honor of the person or persons on whose account he comes forward, and he acquires certain rights and subjects himself to nearly the same obligations as if the bill had been directed to him. A person may also become a party to the instrument by vaying it *supra protest*, either for the honor of the drawer or indorsers. When a party residing abroad draws or indorses a bill of exchange, which he has reason to suppose will not be honored, either by acceptance or at maturity, he affixes a notice on the bill to the following effect: — “In case of need apply to A. B. and Co., Lombard Street.” In compliance with such notice, the bill, if dishonored, is protested, and presented to the parties so referred to, and if regular in every other respect is accepted or paid, according to the circumstances of the case. The immense advantage of this arrangement may be judged of, if we suppose the case of a merchant at Constantinople indorsing a bill, and, after referring it, in case of need, to his correspondents in London, at which place it is made payable, transmits it to Spain, from whence it is sent to Leghorn, and subsequently to London, passing in its transit through the hands of several parties, all of whom affix their names to the bill; and, should it be dishonored when at maturity, instead of retracing its course through the hands of the several parties who have indorsed it, is at once paid under protest, for honor of the indorser at Constantinople, and transmitted direct to him.

All parties, whether merchants or not, above the age of twenty-one years, having capacity and understanding, may be parties to a bill of exchange. An infant cannot be bound by a bill or note drawn by him during his nonage, even should it be given for necessities; but as the contract of an infant is only voidable, and not void, an express promise of payment after he attains his full age will render him liable.

There are two principal qualities essential to the validity of a bill or note; first, that it be payable at all events, not dependent on any contingency, nor payable out of a particular fund; and secondly, that it be for the payment of money only, and not for the payment of money jointly with the performance of some act, or in the alternative.

If the bill or note be insufficient in its formation, in either of these respects, it will not become valid by any subsequent occurrence rendering the payment no longer contingent. In a case, *Kingston v. Long*, 25 Geo. III., an action was brought against the acceptor of a bill, which he made payable, “provided the terms mentioned in certain letters written by the drawer were complied with.” The court held, “This was no bill

until after such compliance, and, if it was not a bill when drawn, it could not afterwards become so."

The records of our courts of law contain innumerable cases in which parties have failed in establishing their claim against the issue of a bill which makes the payment contingent on any event other than the failure of the general credit of the person drawing or negotiating it.

Should any alteration, interlineation, or erasure be made in a bill of exchange, without the consent of the parties privy thereto, it will discharge them from all liabilities thereon, though the bill may afterwards come into the hands of a party not aware of such alteration.

The negotiability of a bill of exchange depends on the insertion of sufficient operative words of transfer; the usual modes of making a bill transferable are by making it payable to A or order, or to A's order, or to A or bearer, or to bearer generally.

It is not essentially necessary to insert the words "value received," they being implied in every bill and indorsement, as much as if they had been expressed *in totidem verbis*; but, in England, to entitle the holder of an inland bill or note for payment of £20 and upwards to receive interest and damages against the drawer and indorser, in default of acceptance or payment, these words should be inserted, as laid down in 9 and 10 Will. III. c. 17; 3 and 4 Anne, c. 9.

A bill of exchange is presumed to have been made upon a good and valuable consideration; but between the drawer, the acceptor, the indorsee, and his immediate indorser, the legality or want of consideration, or the insufficiency of the amount thereof, may be insisted upon by way of defence to an action on the bill. And where a bill is for accommodation, and the holder has given value only for a part of the amount, he cannot recover upon the bill beyond that amount.

The non-acceptance of a bill of exchange on presentation is the dishonor of the bill; and when notice of such refusal to accept is given to the parties interested in the bill in due course, the holder may insist on the immediate payment of the amount from the party negotiating it. Lord Kenyon decided, in cases of this kind, that if a bill, which is given in payment, does not turn out to be productive, it is not that which it purported to be, and that which the party receiving it expected; and, therefore, he may consider it as a nullity, and act as if no such bill had been given. When a bill has been presented for acceptance and refused, and a protest forwarded to the last indorser, it is not obligatory on the holder to present it again, even for payment, at the time it purports to be due. Take the following example.

A. B., a banker at Liverpool, forwarded to his London correspondent a bill for £200, drawn from New York, on a merchant in Broad Street. This bill was presented for acceptance and refused; due notice of its dishonor was sent to A. B., accompanied by a protest; on its maturity, it was presented for payment and protested; the letter containing the bill and protest, instead of being sent to Liverpool, was misdirected to Edinburgh; this error was not discovered by the London house until the letter was returned to the writer, which of course was several days after, as the case occurred before the formation of railroads.

On the bill being returned to Liverpool, A. B. refused to take it back, on the ground that, not having received it in course of post, after it became due, he had considered it was duly honored, and had paid over the money to his customer. On being reminded of the circumstance of the protest for non-acceptance, together with the fact of his not having received any intimation of its having since been accepted, together with a reference to Lord Kenyon's opinion above referred to, he reluctantly consented to take it back.\*

By the 1st and 2d Geo. IV. c. 78, regulating the acceptance of bills of exchange, it is declared that, —

"Whereas according to law as hath been adjudged, where a bill is accepted payable at a banker's, the acceptance thereof is not a general but a qualified acceptance; and whereas a practice hath very greatly prevailed among merchants and traders so to accept bills, and the same have been among such persons very generally considered as bills generally accepted, and accepted without qualification; and whereas many persons have been and may be much prejudiced and misled by such practice and understanding, and persons accepting bills may relieve themselves from all inconveniences by giving such notice as hereinafter mentioned of their intention to make only a qualified acceptance thereof: — it is therefore enacted, That if any person shall accept a bill of exchange payable at the house of a banker or other place without further expression to his acceptance, such acceptance shall be deemed and taken to be, to all intents and purposes, a general acceptance of such bill; but if the acceptor shall in his acceptance express that he accepts the bill payable at a banker's house or other place only, and not otherwise or elsewhere, such acceptance shall be deemed and taken to be, to all intents and purposes, a qualified acceptance of such bill, except in default of payment, when such payment shall have been first duly demanded at such banker's house or other place; and no acceptance of any inland bill of exchange shall be sufficient to charge any person, unless such acceptance be in writing on such bill; or, if there be more than one part of such bill, on one of the said parts."

The following extract from a treatise by Sir John Bayley, late one of the judges of the Court of King's Bench, on the law of bills of exchange, furnishes important information as to the course to be adopted with dishonored bills.

"Though no prescribed form be necessary for notice of the dishonor of a bill or note, it ought to import that the person to whom it is given is considered liable, and that payment from him is expected.

"The notice ought to import that the bill or note has been dishonored: a mere demand for payment, and threat of law proceedings in case of non-payment, is not sufficient, especially if such demand be made on the day the bill or note becomes due.

"The notice must come from the holder, or from some party entitled to call for payment or reimbursement.

"If the day on which notice ought to be given be a day of public rest, as Christmas Day, or Good Friday, or a day of similar sanctity, according to the religion of the party bound to give notice, the notice need not be given until the following day; but this regulation does not extend to Scotland.

"If the holder of a bill or note place it in the hands of his banker, the banker is only bound to give notice of its dishonor to his customer, in like manner as if the banker were himself the holder, and his customer were the party next entitled to notice.

"Sending a verbal notice to a merchant's counting-house in the ordinary hours of business, at a time when he or some of his people might reasonably be expected to be there, is sufficient: it is not necessary to leave or to send a written notice, or to send to the house where he lives; sending notice by the post is sufficient, though it be not

\* This case actually occurred to the author, who, when a young man, committed the error of misdirecting a letter in the way described.

received; and where there is no post it is sufficient to send by the ordinary mode of conveyance.

"Notice to one of several partners is notice to all; and when a bill has been drawn by a firm upon one of the partners, and by him accepted and dishonored, it is unnecessary to give notice of such dishonor to the firm, for this must necessarily be known to one of them; and the knowledge of one is the knowledge of all.

"Upon an acceptance payable at a banker's, notice of non-payment need not be given to the acceptor, for he makes the bankers his agents; presentment to them is presentment to him.

"A person who has been once discharged by laches from his liability on a bill or note, is always discharged; and therefore, when two or more parties to a bill or note have been so discharged, but one of them, not knowing of the laches, pays it, he pays it in his own wrong, and cannot recover the money from another of such parties."

It is held that a bill of exchange founded on a gambling transaction (9 Anne, c. 14) is illegal; but by the 58 Geo. III. c. 93, a "bill of exchange or promissory note, although founded on an usurious contract, does not vitiate the same in the hands of a *bonâ fide* holder not knowing of such usurious contract." And in general where the bill is fair and legal in its reception, a subsequent illegal contract or consideration taking place in the indorsements, &c., will not invalidate it in the hands of a *bonâ fide* holder.

PROMISSORY NOTES AND CHECKS. — The chief distinction between promissory notes and bills of exchange is, that the former are direct engagements by the drawer to pay them according to their tenor, without the intervention of a third party as a drawer or acceptor.

Promissory notes may be drawn payable on demand to a person named therein, or to order or to bearer generally. It was formerly questionable whether these instruments were assignable or indorsable over, within the custom of merchants, to any other person; or whether the person to whom any such note was payable could maintain an action against the person who first made and signed the same, or whether any person to whom such note should be assigned could, within the said custom of merchants, maintain any action upon such note against the person who first made or signed it.

Lord Holt ruled in *Clerk v. Martin*, that the payer, and in *Butler v. Crips*, that the indorsee, of a promissory note could not maintain an action against the maker thereof, such note not being within the custom of merchants, but it was to be considered only as an evidence of debt.

Such uncertainty in the law gave rise to great difficulty in the negotiation of such instruments, and even affected the free circulation of the sealed bills of the Bank of England. It was therefore necessary, as a means of upholding the credit of bank-notes, that a change should be made in the law. Accordingly an act, 3 and 4 Anne, c. 9, was passed, which enacted, "that all notes in writing made or signed by any person or persons, bodies politic or corporate, or by the servant or agent of any corporation, banker, goldsmith, merchant, or trader, usually intrusted by them to sign such notes for them, whereby such persons, &c., or their servant or agent, promise to pay to any other person or persons, bodies politic or corporate, to order or bearer, the money mentioned in such note shall be construed to be by virtue thereof due and payable to such persons, &c., to whom the same is made

payable; and also such note payable to any person, &c., or order, shall be assignable or indorsable over in the same manner as inland bills of exchange are or may be by the custom of merchants; and the person, &c., to whom the money is payable may maintain an action for the same, in such manner as he might upon any inland bill of exchange made according to the custom of merchants; and the person, &c., to whom such note is indorsed or assigned, may maintain an action either against any of the persons, &c. who, or whose servant or agent, signed such note, or against any of the persons who indorsed the same, as in cases of inland bills of exchange; and the plaintiff shall recover damages and costs of suit."

This statute placed promissory notes on the same footing as bills of exchange, and consequently the decisions and rules relating to the one are in general applicable to the other. A note beginning, "I promise to pay," and signed by two or more persons, is several as well as joint, and the parties may be sued jointly as well as severally; but when a promissory note is made by several, and expresses, "We promise to pay," it is a joint note only.

A check or draft on a banker is as negotiable as a bill of exchange. In case of default of payment by the drawer, the party presenting it may maintain an action against the drawer or party paying it to him, on the consideration of transfer, unless it was expressly agreed, at the time of the transfer, that the assignee should take the instrument, assigned as payment, and run the risk of its being paid, or that he has not used due diligence in presenting the check for payment, in which case it will amount to payment; and, in the event of the failure of the banker, the assignor and every other party to the check will be discharged.

As to the precise time a check should be presented for payment after it has been paid away, there is some degree of uncertainty. It may, however, be collected from the cases that have been decided, that a check on a banker, or a cash note, &c., payable on demand, if given in the place where it was made payable, ought to be presented for payment the same day it is received; or, at farthest, early on the following morning, unless prevented by distance or some inevitable cause or accident, which in all cases will excuse the neglect to make a presentment so soon as would otherwise be necessary.

In point of law there is no other settled rule than that the presentment must be made within a reasonable time, which, as observed by Lord Ellenborough, "must be accommodated to other business and affairs of life; and the party is not bound to neglect every other transaction in order to present the check on the same day he receives it."

Drafts or checks for the payment of money drawn on a banker residing or transacting the business of a banker within ten miles of the place at which such drafts or orders are drawn or given, are exempt from stamp duty, provided the name of the place where such drafts or checks are drawn is truly expressed thereon; 44 Geo. III. c. 93.

In the foregoing pages we have given as comprehensive an account of bills of exchange as the nature of our task will admit of. Those who are desirous of further information, as to the various legal points,

will do well to consult Bayley, Byles, and Chitty, whose learned works on the law of bills of exchange are text-books for the legal profession.

The late Mr. Rothschild was for some years previous to his death the largest operator in foreign exchanges that the present, or perhaps any age, has produced. It may not therefore be considered out of place if we give a short account of this extraordinary man.

The founder of the house of Rothschild was Meyer Anselm, who was born in Jew's Alley, Frankfort. He was brought up with the view of being made a priest, and studied with such application as soon to become one of the most learned archæologists.

His father, however, contrary to his inclination, placed him in a counting-house at Hanover, where, although he did not renounce his taste for science, he fulfilled his commercial duties with the utmost skill and success, and ultimately became a banker at Frankfort. He died in 1812, leaving to five sons a considerable fortune and unbounded credit. On his death-bed he strongly recommended them to remain united, which advice they ever after strictly followed; and to this, in a great measure, may be attributed the unexampled success of most of their subsequent joint operations.

Nathan Meyer Rothschild, one of the five brothers, came to England in 1808, and settled in Manchester, where he acted as agent to his father in the purchase of Manchester goods for the Continental markets. Shortly after, he was intrusted with large sums for investment in the various public securities in England; and the judgment he exercised was considered so sound, that he insured the patronage of the Elector of Hesse Cassel and other German princes, and finally removed to London.

In a very few years his financial operations pervaded the whole of the Continent, and exercised more or less influence in the monetary transactions of the English government. He undertook to carry out operations on a larger scale than had ever existed in Europe previous to his time. Besides the essential coöperation of his brothers, he had agencies in almost every city, either in the old or new world, all of which, under his directions, transacted extensive business of various kinds.

He may be said to have been the first to introduce the practice of paying the dividends on foreign loans in this country; and to make them still more attractive, he fixed the rates in sterling money, thus avoiding all the fluctuations in exchanges. Besides his foreign loan contracts, Mr. Rothschild was a purchaser of, and large dealer in, all the European government securities. His great success in loan operations made it a matter almost of rivalry, with all those states who wanted to borrow money, to obtain his coöperation.

The judgment he displayed in his dealings in bullion and foreign exchanges was, if possible, greater than in his loan contracts: devolving, as they did, wholly upon himself and his brothers, they formed a still more important feature in his general scale of profits.

His management of the business of exchanges was one of the most remarkable features in his character. He never hesitated for a moment in fixing a rate either as a drawer or purchaser of a foreign bill of ex-



change on any part of the world; and his memory was so retentive, that, notwithstanding the multifarious and immense transactions into which he entered on every foreign post-day on the Royal Exchange, he never took a note of them; but, on his return to his office, could dictate to his clerks the whole of the bargains he had made, with the various rates of exchange, and the names of the several parties with whom he had dealt, with the most perfect exactness.

Mr. Rothschild was a constant attendant on 'Change every Tuesday and Friday; and, for years, was in the habit of planting himself at a particular spot, with his back to the pillar known to every frequenter of the Exchange as "Rothschild's pillar"; but, alas for human greatness! he was on one occasion doomed to experience the sad annoyance, that he had no especial right to that particular spot. A person of the name of Rose, possessed of great courage, but little judgment, one Tuesday afternoon, purposely placed himself on the spot hitherto occupied by the millionaire. On Mr. Rothschild's approach he requested the party to move. This was just what the other expected, and what he was prepared to dispute. He argued that this was the Royal Exchange, free to all; and he, as a British subject, had a right to stand there if he thought fit. This doctrine could not of course be disputed; but he was told it was the spot that Mr. Rothschild invariably occupied, and, as such, ought to be yielded: but no; this dogged Rose, being a powerful man, defied Mr. Rothschild and all his tribe to remove him. For nearly three quarters of an hour — the most valuable portion of the Exchange time — did he keep possession of the pillar; and not until the whole business of the exchange of the day was jeopardized did this silly personage, after having, as he said, established his right, retire, amidst the yells and howls of all the merchants there assembled.

Mr. Rothschild was not celebrated for his proficiency in the art of writing; this defect, on one occasion, caused him some little annoyance. He was travelling in Scotland, and, on his return, stopped at the town of Montrose; and, wishing to replenish his exhausted exchequer, went to the bank, and requested cash for a draft of £100 on his agent in London. He was, however, much surprised at the refusal of the bank manager to honor his check, without, as he said, having the genuineness of the signature, which he was unable to read, previously accredited, and for this purpose it must be forwarded to London. To this arrangement Mr. Rothschild was compelled to submit; and as at that time it took six days before an answer could be received from London, he was detained until the reply came, which of course proving favorable, he was enabled to pursue his journey.

Mr. Rothschild died at Frankfort on the 28th of July, 1836, and on the news of his death reaching London, (the news was brought by a pigeon, and merely stated "He is dead,") it occasioned a greater sensation on the Royal Exchange than was, perhaps, ever produced by any event of a similar nature. He was buried on Monday, the 8th of August following, at the burial-ground belonging to the great German Synagogue in Duke's Place, and his funeral was attended by upwards of forty carriages, including those of the Lord Mayor and Sheriffs, of

the merchants and bankers of the city of London, besides several mourning coaches containing his family and private friends.

The late Mr. Rothschild's sons, "the Brothers Rothschild," may be seen almost daily on the Exchange, occupying about the same spot as their father did, and exemplifying by their unity, which is the bond of peace the good effects of the advice of their grandfather, and the example of their father and his brothers.

## THE EXPORT OF GOLD TO EUROPE.

THE gold eagle weighs 258 grains,  $\frac{9000}{10000}$  fine

The new Victoria sovereign 123  $\frac{3}{10}$  grains,  $\frac{9155}{10000}$  fine.

By the last advices from London the current price of foreign gold (British standard as above) was £ 3 17s. 9d. per oz.

The Bank of England was buying American gold (British standard) at £ 3 17s. 8d. per oz.

The *London Economist* (one of the best commercial journals in the world, and which ought to be better known in this country) says, — "It is somewhat remarkable that every week almost announces importations of gold from the United States, and every week the quantity of gold in the Bank diminishes. . . . The money market has been for the last few days, and is to-day, a little stiffer. For money on call, 2  $\frac{1}{2}$  is given, and the best bills cannot be discounted under 3 or 3  $\frac{1}{2}$  per cent." It is therefore evident as respects England, that she is not likely to need less of our gold than she has heretofore had. Let us see if it is profitable to send it there.

	£	s.	d.
1,000 eagles at 25 grains weigh 537 $\frac{1}{2}$ oz. at £ 3 17s. 9d.,	2,089	10	7 $\frac{1}{2}$
Deduct for difference of English and American standard $\frac{31}{1000}$	32	7	9
Total,	2,067	2	10 $\frac{1}{2}$
Add interest for 60 days' sight of bills drawn against this gold at 3 $\frac{1}{2}$ per cent. while running to maturity,	11	2	10
Total,	2,068	5	8 $\frac{1}{2}$
Cost of 1,000 eagles,	£ 10,000.00		
Freight and insurance, each $\frac{1}{2}$ per cent.,	75.00		
Total,	£ 10,075.00		
£ 2,068 5s. 8 $\frac{1}{2}$ d. at 9 $\frac{1}{2}$ per cent. is,	£ 10,077.15		

Showing (if the above calculation is correct) that American gold can be shipped without loss at an exchange of 9  $\frac{1}{2}$  per cent. to London bankers and others, who do not have to pay the commission for selling foreign coin which is charged to a merchant remitting in this form. But supposing their agents here to charge them  $\frac{1}{2}$  per cent. for buying and shipping, it follows that the operation is profitable at an exchange exceeding 9  $\frac{1}{2}$  per cent. and at 10  $\frac{1}{2}$  per cent. there can be no better and safer business for an English banker (who can get but 3  $\frac{1}{2}$  per cent. at home for his money) than to order his agent in the United States to draw at sixty days and remit the proceeds in American eagles or double eagles (the smaller coin are usually too much worn to be profitable) twice each month, by the steamships taking out the bills, thus netting 1 per cent. a month without the outlay of a penny, but, on the contrary, having gold in hand to meet his acceptances, two months before they fall due. By exchanging it with the Bank of England at the British standard, he makes his account a desirable one, and is further able to discount his acceptances of his American agent's bills at 5 or 6 per cent., should money be in demand, and so secure a still larger profit.

There does not, therefore, appear much chance of a falling off in the export of gold, until exchange falls permanently below 10 per cent., say to 9  $\frac{1}{2}$  or 9  $\frac{1}{4}$ .

The evil is manifest of an attempt to counteract the great laws of demand and supply by loans and credits out of all reason, upon "call," upon stocks, and accommodation paper, upon drafts without sales (and sometimes without property) to meet them, by renewals and other kinds of "kiting," instead of confining discounts to *bond fide* business paper.

Parties have been thus enabled not only to import, but raise, manufacture, and hold goods, landshares, and other property, far beyond their means and the wants of their country, and now that the loans are called in, sales *must* be made, and at prices much below those ruling under the smaller stocks of some months since, with a further loss of interest and expenses. It will not do for a whole community to invest all its means, and, while it sells nothing, borrow heavily to pile up further stocks. In the words of "Pearl Street," "it is the part of a wise man to foresee the evil and hide himself." He who can confine himself to realizing, to discharging his debts, and placing himself in a strong position for the next three or four months, will be a "wise man." — *A Boston Merchant.*

**COST OF EXPORTATION OF GOLD.**—The *New York Journal of Commerce* makes the following corrections:—

The calculation in this extract may be correct, but the basis is erroneous. The Bank of England receives American gold by weight (without reference to the *British* standard) at £ 3 16s. 2d. per oz.; while the above calculation accounts for them at £ 3 16s. 6½d. This would make a material difference in the above estimate, as will be seen by the following comparison:—

	£	s.	d.
Amount credited as above, . . . . .	2,057	2	10½
537½ oz. at £ 3 16s. 2d., . . . . .	2,046	19	7
Difference, . . . . .		10	3 ¾

But let us turn from a supposed case to a *bond fide* shipment recently made. A house in this city recently sent \$ 60,000 in new double eagles to Liverpool, at the cost, for freight and insurance, of \$ 546. The only other charge was 7s. quarterage, &c., on the other side. The weight, as returned by the Bank, was 268 lbs. 8 oz. 8 dwts., or a fraction less than the estimate above. The net amount credited was £ 1,227 11s. 8d.; which, at the usual allowance of 5 per cent. interest on open account, would be, as given by us the other day, a little over 109½ for exchange, or about 109½.

### Remarks.

In reply to the former statement, we have to say that it errs at the outset, in taking United States standards and assays as the basis upon which our gold coin is purchased in the London market. Thus, as our coin *ought* to be 900 parts fine in a thousand, and as our assays report *their* coin at 915½ parts, it is assumed that British dealers are guided by those data. But upon inquiry there, we shall find that they consider their own coin as being 916½ parts fine in a thousand (or 22 carats) as their law requires, and at the same time rely upon their own mint assays for the fineness of our coins. It is important, therefore, to know how they report upon our gold. We have understood, in general terms, that it is found to be equal to the alleged or legal fineness; and, indeed, a late letter from an English gentleman residing in London, and fully conversant with mint affairs, states that "the twenty-dollar pieces run a trifle better than the standard."

But taking the basis of an exact equality to legal standard, or  $\frac{900}{1000}$  fine, it is next to be noticed, that the British assayers adhere to the old

carat system of notation, and do not report nearer than  $\frac{1}{32}$  of a carat, or  $\frac{1}{4}$  of a carat-grain; also, that if the coin under trial should fall only a shade below a certain eighth, they drop down to the eighth below; consequently their report upon our coin would be technically W.  $1\frac{1}{8}$ , or worse one carat-grain and five eighths, — which is  $899\frac{1}{4}$  thousandths, very nearly. Then we have \$10,000 in gold, weighing  $537\frac{1}{4}$  ounces, producing 527.58 ounces in British legal standard, which at £3 17s. 9d. yields £2,050 19s. 4d., instead of £2,057 2s.  $10\frac{1}{4}$ d.

### THE MONEY PRESSURE.

THE money pressure, which is now felt in all the Atlantic cities, has occasioned many surmises as to the cause. Excessive imports are supposed to be it, when they are only the apparent, and not the real cause; the *extension of credits* being the true one. The surest way to prevent more goods coming to this country than are needed for consumption, is to equalize the credits in this country and Europe; and as they cannot and ought not to be extended anywhere, *they must be shortened here*, or we shall continue to pour the profits of our industry into the lap of our Transatlantic competitors. Some of our wisest merchants think that excessive imports are the great stimulants to long credits; and because money panics have been attributed to this, the wrong cause, they have hitherto not been prevented. It is a law of trade, found true by experience, that goods will seek the market where they command the highest price; and it is as true that parties who buy at from six to twelve months' credit pay a much higher price than those who buy at from one to four months. Now, as credits in Europe are only from one to four months, and in this country six to twelve, goods are higher with us, and must come here as certain as that water will run down hill. Being induced here by the high prices, the excess then acts as a cause to still longer credits, and eighteen months is sometimes winked at.

If the people would consent to a law which would pronounce any sale null which was on a longer time than four months, we should find no more goods coming into the country than were needed for a liberal consumption, and the amount of the excess, which is equal to a large part of the profits on our labor, and which we now send to Europe, would be retained here.

What purpose does this excess serve? Only to make up a stock for the ever increasing new storekeepers, who are brought into trade because of the facility with which they can obtain credits. If credits did not exceed four months, multitudes would find producing more profitable, and traders would decrease, sales would amount to nearly the same, and profits would be surer. The balance of trade would be in our favor, and the gold which now flows in such large amounts from California, through our hands, into the banks of Europe, would find its resting-place in our vaults. At the present time, the banks of France and England have nearly two hundred millions on hand, while we have but one tenth of that amount; and so it must ever be while we consent to pay a price for goods based upon a fictitious currency.

No one could be Quixotic enough to suppose that Congress would pass a law restricting credits to four months, although their *right*, we think, will not be questioned; but a law reducing the credit one month each year, until it reached the average of European credits, could be carried into effect without injury to any one. Some years since another mode was adopted for shortening credits; an agreement among owners not to sell at over a fixed time, by which shorter credits were to be secured; but it was unsuccessful, because it began at the wrong end. The right plan to effect this, and one which would aid the passage of a law on the subject, would be for those who can afford to buy on six months' credit to refuse to take longer time. They would get goods lower, attract the best custom, be able to retain it by selling low, run much less risk, and, by their successful competition, compel parties who bought at longer rates and higher prices to change their system.

E. M. D.

8th month 25, 1851.

Philadelphia North American.

## A PRACTICAL TREATISE ON BANKING.

BY J. W. GILBART, F. R. S.,

GENERAL MANAGER OF THE LONDON AND WESTMINSTER BANK.

Continued from page 229, September No.

## SECTION VII. THE BANKS OF IRELAND.

*The National Bank of Ireland. — The Hibernian Bank. — The Royal Bank of Ireland. — The Banks of Belfast. — The Tipperary Joint Stock Bank. — The Laws of the Currency in Ireland. — Circulation and Coin of all the Banks, each month, from January, 1846, to May, 1848. — The Exchanges between the Banks.*

## SECTION VIII. THE MORAL AND RELIGIOUS DUTIES OF BANKING COMPANIES.

Several of the savings banks in Ireland having failed, and occasioned losses to the depositors, through the dishonesty of the officers, and the inability of the trustees to make good the losses, the National Bank of Ireland have recently determined to discharge some of the functions of a savings bank. They receive deposits for 10s., £1, £1 10s., £2, £2 10s., or for any multiple of 10s., but not for any fractional part of 10s. When the sums thus received amount to £5, the party gets a regular deposit receipt for the amount. In the mean time he receives interest at the same rate which is allowed on other deposit receipts, (at present 2 per cent.,) and can withdraw it at a short notice. The following is the form of receipt given to the savings bank depositor: —

## NATIONAL BANK OF IRELAND.

No. \_\_\_\_\_  
 Received from \_\_\_\_\_  
 of \_\_\_\_\_  
 day of \_\_\_\_\_ 18 \_\_\_\_\_  
 \_\_\_\_\_ Manager.

The following is a copy of the Balance-sheet attached to the Annual Report, delivered May 23d, 1849: —

	£	s.	d.
The undivided profits at December, 1847, were . . . . .	61,105	4	4
Net profits for the year ending December, 1848, . . . . .	26,490	12	10
	£ 87,595	17	2
Deduct half year's dividend to Midsummer, 1848, . . . . .	£	s.	d.
at 5 per cent., . . . . .	11,250	0	0
Ditto, to Christmas, 1848, . . . . .	11,250	0	0
Bonus of 10s. per share on 20,000 shares, . . . . .	10,000	0	0
Amount paid T. Lamie Murray, Esq., according to the provisions of the Deed of Settlement, . . . . .	1,000	0	0
Balance of profit and loss carried to that account for 1849, . . . . .	3,990	12	10
	37,490	12	10
Leaving amount of undivided profits to the credit of reserve fund, at December, 1848, . . . . .	£ 50,105	4	4

The National Bank of Ireland has branches at the following places :—

Athlone.	Cork.	Limerick.	Roscommon.
Athy.	Dundalk.	Longford.	Roscrea.
Ballina.	Dungarvan.	Loughrea.	Skibbereen.
Ballinasloe.	Ennis.	Mallow.	Tallow.
Boyle.	Enniscorthy.	Midleton.	Thurles.
Carrickmacross.	Fermoy.	Mitchelstown.	Tipperary.
Carrick-on-Suir.	Galway.	Moate.	Tralee.
Cashel.	Kanturk.	Mullingar.	Tuam.
Castlereagh.	Kells.	Nenagh.	Waterford.
Charleville.	Kilkenny.	New Ross.	Westport.
Clonakilty.	Killarney.	Parsonstown.	Wexford.
Clonmel.	Kilrush.	Rathkeale.	Wicklow.

*The Hibernian Bank.*

The Hibernian Joint-stock Bank was formed in the year 1824. The following account of the origin of this bank is given by John Robinson Pim, Esq., of Dublin :—

"A number of Roman Catholic gentlemen, finding they were continued to be excluded from the direction of the Bank of Ireland, met together, and obtained the signatures, not only of Roman Catholics, but of a number of others, amongst the rest myself, to the establishment of this bank; many merchants signed it, as considering that by having an opposition bank in such a city as Dublin, advantages would frequently be derived from it, and not altogether looking to the emolument which they should receive as subscribers to the bank, but looking at it as citizens generally; I myself never calculated on a very great deal of profit from it, except at a very remote period. Some of the individuals who undertook it came over to London, and they had expected to obtain the power of issuing notes, but they met with so much opposition from the Bank of Ireland, — there were some of the directors of the Bank of Ireland came over here in order to oppose it, — and the clauses which they intended to enable them to issue notes were expunged in the committee; but I state this only from hearsay."

Its nominal capital is £1,000,000, divided into 10,000 shares of £100 each. £25 per cent. has been paid upon each share, so that the money actually advanced amounts to £250,000.

In the same year this company obtained an Act, entitled "An Act to enable the Hibernian Joint-stock Company, for the purpose of purchasing and selling annuities, and all public and other securities, real and personal, in Ireland, and to advance money and make loans thereof, on the security of such real and personal security, at legal interest, and on the security of merchandise and manufactured goods, to sue and be sued in the name of the governor or secretary for the time being."\*

The preamble states, that, —

"Whereas the commerce, and manufactures, and agriculture of Ireland has long labored under great disadvantage, arising from the want of due command of capital; and that merchants and manufacturers have no means of procuring temporary advances of money on a deposit of their goods, when a slackness of demand arises; and whereas several persons have agreed to form themselves into a company, or partnership, under the name of the 'Hibernian Joint-Stock Company,' and have subscribed or raised considerable sums of money in order to purchase and sell annuities and all public and other securities, real and personal, in Ireland; or to make loans and advances of money on the security thereof, and on the security of merchandise and

\* Anno quinto Georgii IV. Regis, cap. 159.

manufactured goods, at legal interest, and to receive lodgments of money or deposit thereof; and great public benefit is expected to be derived to the trade, manufactures, and agriculture of Ireland from the formation of such a company or partnership; and whereas difficulties may arise from time to time," &c.

It is enacted, that this company may sue and be sued in the name of their governor or secretary. A memorial of the names of the governor, secretary, and members, and of the transfer of shares, to be enrolled in Chancery; and no actions to be brought by the company, under the authority of this Act, until such memorial shall have been enrolled. Execution upon any judgment against the governor or secretary may be issued against any of the members, who are to be reimbursed their expenses by the company.

At the last half-yearly meeting of the shareholders, held on the 4th of December, 1848, the following statement was exhibited, and a dividend declared at the rate of 5 per cent. : —

*Abstract of the Affairs of the Company to 1st of November, 1848, pursuant to the Deed of Settlement.*

	£	s.	d.
Assets of the company . . . . .	550,575	1	6
Due to the public . . . . .	218,623	7	8
	331,951	13	10
Capital of the company, £ 1,000,000, 25 per cent. paid . . . . .	250,000	0	0
Balance to credit of profit and loss in favor of the company . . . . .	81,951	13	10
Net profits of the company for the year ending the 1st of November last, after deducting all charges for management . . . . .	£ 16,055	15	7

*The Royal Bank of Ireland.*

The Royal Bank of Ireland was formed in the year 1836, and before opening made arrangements for taking the business of the private bank of Sir James Shaw & Co. At that time the law did not permit joint-stock banks, in Dublin, to accept bills drawn at less than six months after date, or to sue and be sued in the name of their public officers. These restrictions were removed by the Act of 1845. The Royal Bank attempted also at that time to obtain the power of issuing notes, but were not successful. The manager of the bank from its commencement has been Mr. Charles Copland, who had previously been a manager in the Provincial Bank of Ireland.

At the last annual meeting, held on the 7th November, 1848, the following statement was laid before the shareholders : —

	£.	s.	d.
The paid-up capital of the bank is . . . . .	209,175	0	0
The amount of reserve fund . . . . .	45,475	8	0
The net profits of the year, which terminated on the 31st of August last, after deducting all expenses of management, amount to . . . . .	19,877	16	4
Out of which have been paid to the proprietors two half-yearly dividends, at the rate of 5 per cent. per annum, amounting to . . . . .	10,458	15	0
Leaving a surplus on the year of . . . . .	£ 9,419	1	4
Which has been added to the bad and doubtful debt fund.			

THE BANKS OF BELFAST.

There are three joint-stock banks at Belfast. The Northern Banking Company was formed in 1825, on a private bank which was called the Northern Bank. This was the first joint-stock bank in actual operation in Ireland. The Belfast Banking Company was formed on a private bank, which was called the Belfast Bank. The senior partner in this bank, John Holmes Houston, Esq., was examined as a witness before the Parliamentary Committee of 1826, on the abolition of small notes in Ireland. His evidence contains some interesting particulars respecting the state of banking in Belfast during the time he had been a partner in that bank.\* The Ulster Banking Company is a new bank, formed in 1837. All these banks have branches extending throughout the north of Ireland. The prudence with which banking institutions have at all times been managed at Belfast, has no doubt greatly contributed, with other causes, to the prosperity of the north of Ireland. The following is the condition of the three banks at Belfast : —

Belfast Banks.	Date of Bank.	Number of Shares.	Number of Proprietors.	Amount of Shares.	Paid up on Share.	Paid-up Capital.	Last Dividend, per cent.	Number of Branches.	Fixed Circulation.
				£	£ s.	£			£
Northern	1825	5,000	193	100	First 25 0 Bonus 5 0 30 0	150,000	10	11	243,440
Belfast	1827	5,000	656	100	25 0	125,000	8	18	281,611
Ulster	1837	75,000	440	10	2 10	187,500	5	15	311,079

The Northern Banking Company has branches in the following places : —

Armagh.	Coleraine.	Lurgan.
Ballymena.	Downpatrick.	Magherafelt.
Carrickfergus.	Lisburn.	Newtownlimavady.
Clones.	Londonderry.	

The Belfast Banking Company has branches at the following places : —

Armagh.	Dungannon.	Newry.
Ballymena.	Larne.	Newtownards.
Ballymoney.	Letterkenny.	Newtownlimavady.
Castleblayney.	Londonderry.	Portadown.
Coleraine.	Magherafelt.	Strabane.
Cookstown.	Monaghan.	Tenderagee.

\* See the History of Banking in Ireland, by J. W. Gilbert



The Ulster Banking Company has branches at the following places : -

Antrim.	Cookstown.	Lurgan.
Armagh.	Cootehill.	Monaghan.
Ballymena.	Downpatrick.	Omagh.
Ballymoney.	Enniskillen.	Portadown.
Banbridge.	Londonderry.	

*The Tipperary Joint-stock Bank.*

In the Act of 1845 there is an express provision with reference to the Tipperary Bank.

*Provision in case of Determination of existing Agreement between the Bank of Ireland and Tipperary Joint-stock Bank.*

"XXXI. And whereas a certain joint-stock banking Company, called and known as 'The Tipperary Joint-stock Bank,' refrained from issuing its own bank notes, under a certain agreement with the Governor and Company of the Bank of Ireland for the issue of the bank notes of the said governor and company, which agreement is determinable by either party upon certain notice to the other party, and it is just that in case such agreement should at any time hereafter during the continuance of this Act be determined and put an end to by the Governor and Company of the Bank of Ireland, that the said Tipperary Joint-stock Bank should receive by way of compensation such composition as hereafter mentioned; be it therefore enacted, That if the said agreement shall be at any time hereafter during the continuance of this Act determined or put an end to by the Governor and Company of the Bank of Ireland, then and in such case the said governor and company shall, from the termination of the said agreement, pay and allow to the said Tipperary Joint-stock Bank, so long as the latter shall continue to carry on the business of a bank and to issue exclusively the notes of the Governor and Company of the Bank of Ireland, a composition at and after the rate of one per centum per annum on the average annual amount of the Bank of Ireland notes issued by the said Tipperary Joint-stock Bank, and kept in circulation, such average annual amount to be ascertained by the Bank of Ireland in the manner provided for regulating the compensation to be made to certain bankers by the Bank of England in and by the Act passed in the seventh and eighth years of the reign of her present Majesty, entitled 'An Act to regulate the Issue of Bank Notes, and for giving to the Governor and Company of the Bank of England certain Privileges for a limited Period : ' Provided always, that the total sum payable to the Tipperary Joint-stock Bank by way of composition as aforesaid in any one year shall not exceed 1 per cent. on an amount that hath been agreed on by and between the Bank of Ireland and the Tipperary Joint-stock Bank, and certified by both banks to the Commissioners of Stamps and Taxes; and such composition shall cease to be payable from and after the 1st day of January, one thousand eight hundred and fifty-six."

The Tipperary Bank has branches at the following places : —

Athy.	Nenagh.	Thurles.
Carlow.	Roscrea.	Tipperary.
Carrick-on-Suir.	Thomastown.	

At the last general meeting the directors declared a dividend at the rate of 6 per cent., and added £2,513 8s. 5d. to the "doubtful debt fund," which then amounted to £5,013 8s. 5d. The amount of the capital was not stated.

The following joint-stock banks have ceased to exist in Ireland : —

1. The Agricultural and Commercial Bank of Ireland, formed in the year 1834, stopped payment in the latter end of the year 1836. It was afterwards resumed for a short time, and then finally closed. A full account of the reckless proceedings of this bank is given in the third volume of the *Bankers' Magazine*.

2. The London and Dublin Bank was formed in 1844, and merged in the National Bank of Ireland in the year 1848. This was not a bank of issue.

3. The Southern Bank of Ireland was formed at Cork after the failure of the Agricultural Bank of Ireland. It was registered the 25th of March, 1837, opened in Cork in the month of July, and stopped payment in the following September.

*The Laws of the Currency in Ireland.*

From what we have already said of the laws of the currency,\* those of our readers who are acquainted with Ireland will be able to judge beforehand of the revolutions of her circulation. Being purely an agricultural country, the lowest points will of course be in August or September, immediately before the harvest, and the commencement of the cattle and bacon trade. Then it rises rapidly, till it reaches its highest point in January, and then gradually declines. As an agricultural country, we should naturally expect that during the season of increase the circulation would expand most in the rural districts; and so we find that the circulation of the Bank of Ireland, in Dublin, expands very moderately, — that of her branches, which are located chiefly in large towns, expands more, — while the circulation of the joint-stock banks, which are located in the agricultural districts, receives the largest increase. Again, the purchases and sales of agricultural produce are known to be in small amounts; and hence the notes of the smallest denomination receive the largest relative increase. The annual changes of the Irish circulation are governed chiefly by the produce of the harvest and the prices of agricultural products. These are the laws of the circulation of Ireland.

On this subject I may quote my own evidence before the Committee on Banks of Issue: —

“I have told the committee that I was formerly manager of a joint-stock bank of issue in Ireland, and I have attempted to discover the laws which regulate the circulation of that country, by ascertaining the highest and lowest amount of the circulation in each year. This which I have in my hand is a table showing the circulation of the Bank of Ireland (including branches), the separate circulation of the branches alone, and the circulation of the Irish joint-stock and private banks, on the last Saturday of April, August, and December of the years 1834 to 1839. It will be observed that those periods are the same as those which I have referred to in the circulation of the English country banks. The law of circulation appears to be different, but they agree pretty nearly in this, that the lowest point is the latter end of August; but the highest point in Ireland is generally the end of December or the beginning of January, and from December, or the beginning of January, it declines; so that the country circulation of England is advancing eight months and declining four; but the circulation of Ireland is advancing four months and declining eight.

“Whence is this table compiled? — From Appendix Nos. 32 and 33.

\* See pages 240, 292, 327.

FF

373

This table shows that the circulation of Dublin does not vary much it shows that the circulation of the branches of the Bank of Ireland varies more; and that the circulation of the joint-stock and private banks in Ireland varies considerably more.

**A TABLE showing the CIRCULATION of the BANK OF IRELAND (including Branches); the Circulation of the Branches alone; and the Circulation of the Irish Joint-Stock and Private Banks; on the last Saturday of April, August, and December, of the years 1834 to 1839.**

*I. — Bank of Ireland and Branches.*

	1834.	1835.	1836.	1837.	1838.	1839.
	£	£	£	£	£	£
April, . . .	3,922,300	3,798,500	3,614,100	3,332,300	3,398,400	3,536,400
August, . . .	3,452,800	3,198,700	3,133,500	2,921,600	3,055,800	2,981,800
December, . .	3,926,800	3,674,200	3,481,100	3,265,700	3,474,500	3,192,200

*II. — Branches of the Bank of Ireland.*

April, . . .	} No separate account kept at this time.	—	1,357,600	1,572,000
August, . . .		1,056,200	1,257,600	1,211,900
December, . .		1,342,300	1,695,600	1,464,000

*III. — Joint-Stock and Private Banks.*

April, . . .	1,386,165	1,517,648	2,083,431	1,798,724	2,366,774	2,588,377
August, . . .	1,140,654	1,264,572	1,928,900	1,480,240	1,881,906	1,982,122
December, . .	1,666,269	1,959,542	1,787,586	2,204,286	2,972,034	2,629,205

“It will be observed, that in the year 1836, with regard to the joint-stock banks, there was a departure from the law, which usually increases the Irish circulation very rapidly between the months of August and December; for in 1836 the Agricultural and Commercial Bank of Ireland stopped payment; that brought on a run for gold upon the other banks, and thus the circulation of those banks became reduced. This is the only year in which there is not a very considerable increase in the circulation of the joint-stock banks of Ireland between August and December.

“To what do you attribute this uniform increase of the Irish circulation towards December? — I attribute it to the trade in corn, and bacon, and cattle, which commences in the months of September and October in every year; the produce of the harvest commences to be brought to market in September; but the bacon is made in the beginning of October. The bacon must be made in cold weather, and therefore pigs are reared so as to be fit for killing by the 1st of October; and in the beginning of October the provision merchants send out their men to purchase pigs at the different markets, and they get notes from the bank. The cattle trade is conducted in the same way; men go to the market to buy pigs and cattle, and take them over to Bristol and Liverpool, but chiefly to Bristol, from the part where I was. Those notes are chiefly issued in three ways. During the summer, the merchants, having their capital unemployed, lodged it as deposits in the bank; then, when the season for trade commenced, they drew out their deposits, in the form of notes. Afterwards, they brought us bills upon their factors in London, and our notes were issued in discounting those bills which they had drawn against

the exportations of bacon and cattle. The dealers took their pigs and cattle over to Bristol, and sold them in the various markets and fairs in the west of England, and received the notes which were circulating in that district, and took them to Mr. Stuckey, and got a letter of credit upon me, payable on demand, for the amount. So that our notes were issued, in the first place, by the withdrawal of deposits; secondly, for the discounting of bills on London, drawn against the exports which were made; and thirdly, for the payment of letters of credit which had been obtained by the parties who had sold Irish cattle in the English markets. The notes were, therefore, drawn out by the trade of the country, and of course it was not in our power to withhold issuing those notes, unless we wished to cramp the trade of the country."

Robert Murray, Esq., the chief officer of the Provincial Bank of Ireland, was examined as to the establishment of one Bank of Issue throughout Ireland. The following is his reply:—

"It would produce an entire revolution in the monetary affairs of Ireland. The committee will already have gathered from the questions I have previously answered, that the produce is brought to market in very small quantities, and by a very large number, I had almost said an innumerable class, of farmers; each man brings his sack of oats and two or three pigs to market. It would be almost impossible, in such a state of things, to regulate by one bank of issue the monetary affairs of Ireland, or to adapt it to its purposes as it is now situated."

The following is the report of the Select Committee of the House of Commons, made in 1826, respecting the abolition in Ireland of notes under £5:—

"With respect to the circulation of Ireland, the inquiries of your committee have been less extensive than those which they have instituted with respect to Scotland.

"The first law in Ireland which restrained the negotiation of promissory notes, was an Act passed in the Irish Parliament in the year 1799.

"The preamble recites, that various notes, bills of exchange, and drafts for money, have been for some time past circulated in lieu of cash, to the great prejudice of trade and public credit; and that many of such notes are made payable under certain terms, with which the poorer classes of manufacturers and others cannot comply, unless by submitting to great extortion and abuse. It adds, that the issue of such notes has very much tended to increase the pernicious crime of forgery; and the Act proceeds to apply to notes between the value of £5 and 20s. similar restrictions to those which had been applied to such notes issued in England by the Act which passed in the year 1777. It permits, however, during the suspension of cash payments by the Bank of Ireland, the issue of bank-post bills, bills of exchange, and drafts under certain regulations, for any sums not less than three guineas. This Act did not extend to the Bank of Ireland.

"In 1805, this and some other Acts which had passed in the interim, relating to the issue of small notes, were repealed; and notes under 20s., which had been previously admitted under certain regulations by the Act of 1799, were declared void.

"There is at present no law in force imposing any limitation to the period for which notes for a sum not less than 20s. may be issued in Ireland.

"A tolerably correct estimate of the amount of promissory notes, above and below £5, circulating in Ireland, may be formed from the subjoined returns made by the Bank of Ireland, and by other banks at present established in that country.

"Bank of Ireland notes.—An account of the average amount of the Bank of Ireland notes of £5 and upwards (including bank-post bills) for the years 1820, 1821, 1822, 1823, 1824, and 1825:—

Irish Currency.  
£            s.    d.  
3,646,660 19 6

"Notes and post bills of £ 5 and upwards, . . . ,

"An account of the average amount of the Bank of Ireland notes under the value of £ 5 (including bank-post bills) for the years 1820, 1821, 1822, 1823, 1824, and 1825:—

Irish Currency.  
£            s.    d.  
1,643,828 0 5

"Notes and post bills under the value of £ 5, . . . ,

"It appears from the evidence that a practice prevails in Ireland of issuing notes for the payment of sums between one and two pounds, for three guineas, and other fractional sums.

"Your committee see no public advantage arising out of this practice; and they are of opinion that it ought to be discontinued, as it tends to dispense with the silver coin, and practically to exclude it from circulation.

"Your committee hesitate, in the present imperfect state of their information, to pronounce a decisive opinion upon the general measures which it may be fitting to adopt with respect to the paper currency of Ireland.

"Although they are inclined to think that it would not be advisable to take any immediate step for the purpose of preventing the issue of small notes in Ireland, their impression undoubtedly is, that a metallic currency ought ultimately to be the basis of the circulation in that country.

"It will probably be deemed advisable to fix a definite, though not an early period, at which the circulation in Ireland of all notes below £ 5 shall cease; and it is deserving of consideration, whether measures might not be adopted in the interim, for the purpose of insuring such a final result by gradual though cautious advances towards it."

The following is a summary of the evidence given before the Committees of the two Houses of Parliament as to the effect of abolishing the small note circulation in Ireland:—

1. Small currency is necessary to carry on the commercial transactions of the country.

JOHN ACHESON SMYTH, Esq., *Agent for the Belfast Bank at Londonderry.*

"In Lancashire, I believe all the raw materials are bought in large parcels, and by bills. In Ireland, the raw material is all bought in small parcels, and all in small notes. In Lancashire, there is only cash wanted to pay the workmen; but we want it both to pay the workmen and to buy the raw material. The provision and grain that we send to England are also bought in small notes, and we are reimbursed by drawing bills for our shipments." (*Commons' Report*, p. 77.)

PIERCE MAHONY, Esq., *Solicitor to the Provincial Bank of Ireland.*

"If the banks were prevented issuing notes under the amount of £ 5, would any inconveniences arise in conducting the trade of the South of Ireland?—The trade of Ireland generally, and especially in the South of Ireland, would be greatly inconvenienced, and the growth of manufactures would be decidedly checked, if not destroyed, by such a measure. From the great subdivision of land in Ireland, and particularly in the South and West (where the population is almost exclusively agricultural), the produce is disposed of in small portions, scarcely ever representing £ 5, and almost universally under that amount. I am of opinion, that the withdrawal of all notes under that amount would have the effect of curtailing the accommodation the banks now afford to the public, to a ruinous extent; and that the trade of the country under such circumstances would not afford profitable employment for banking capital to any extent; and, therefore, I should anticipate the withdrawal of such establishments, except perhaps at Cork and Belfast. In the South and West of Ireland, from the nature of the

provision and corn trade, the chief demand for notes or for gold commences in October, and continues until March, when that trade is nearly over for the season. From March until October the butter trade is almost the only one in the South and West of Ireland; and as that trade would not employ all the capital that is required in the winter season, the effect would be, if sovereigns were substituted for small notes, that the extra supply required for the corn, beef, and pork trade, must remain idle in the banker's chest, or be remitted at great risk and expense for employment elsewhere during the summer and autumn.

"Do you think if a metallic circulation were adopted that there would be a difficulty in maintaining that metallic circulation? — I do; because the trade in the South and West of Ireland is periodical; the remittances from those districts of Ireland would force the gold away at certain periods, and it must be returned at others with considerable expense to meet the trade of the country." (*Commons' Report*, pp. 250, 251.)

2. A gold currency would be more inconvenient than notes, and would not be so well liked by the people.

LEONARD DOBBIN, Esq., \* *Agent for the Northern Banking Company of Belfast, at Armagh.*

"Do the people of the North of Ireland manifest any wish for gold in preference to notes, or for notes in preference to gold? — They decidedly prefer notes, and the weavers have refused to carry gold out of the market lately.

"Can you assign any reason for this preference? — There are many reasons that I could assign. The bank notes are now the established currency; the people are perfectly acquainted with them. If a man should lose notes, or a house be robbed, or if there is a forgery, it would be much better for them to trace notes than it would gold. I have often assisted poor people in tracing notes that were robbed, and forged notes, whereas the gold could not be traced so readily. Another reason I would give is this; guineas became light, and were troublesome to the people. When standing beam there was 1s. charged, and when lighter than standing beam, 2s. 6d.; and when gold was scarce, and bank notes not a legal tender, the land agents refusing to take any thing but gold, the tenants were obliged to pay from 1s. to 4s. on a guinea discount. Some agents would only take gold." (*Commons' Report*, p. 243.)

J. A. SMYTH, Esq., *Linen Merchant, and Agent for the Belfast Bank at Londonderry.*

"I am in the habit of employing my linen buyers to go to the country markets, and I must supply them with the week's money before they start, perhaps five hundred or a thousand pounds; they have to go through the interior of the country, and do not return for a week. They make their purchases all in small quantities, and it is more convenient for them to carry notes than gold." (*Lords' Report*, p. 7.)

ARTHUR GUINNESS, Esq., *Director of the Bank of Ireland.*

"I conceive that with the persons who handle the circulation of the country, there is a decided preference in favor of small notes over cash in every respect. I speak from mine own experience; for I remember perfectly well, before the restrictions upon cash payments, when gold was a great inconvenience in trade. I speak of those who handle the currency of the country, among whom I think the preference is in favor of the small notes, as more convenient, more portable, and less liable to counterfeit. I conceive these to form the general ground of preference." (*Commons' Report*, p. 237.)

3. The profits of the banking establishments would be so much diminished, that they could not extend the same accommodation to the agricultural and commercial classes.

W. P. LUNNEL, Esq., *Director of the Bank of Ireland.*

"If the notes under £5 were prohibited, would the profits of the Bank of Ireland

\* This gentleman was afterwards agent for the Bank of Ireland at Armagh, and M. P. for that place.

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377

be materially affected by such prohibition?—I should expect that they would suffer they must sacrifice a certain profit.

"Have you considered to what extent the profits of other bankers would be affected?—I should expect that the principal circulation of the country bankers is in small notes, and therefore in that proportion they would suffer." (*Lords' Report*, p. 108.)

JOHN HOLMES HOUSTON, Esq., *Banker at Belfast.*

"If all the notes under £5 were prohibited to be issued, would it be worth while, in your opinion, to keep the establishment of a bank at Belfast?—I do not think it would, except by carrying it on in the same manner as it formerly was,—to keep a discount office, charging a commission on discounting bills, because £5 notes would not circulate; then our circulation would be so trifling it would not answer." (*Ibid.* p. 35.)

H. A. DOUGLAS, Esq., *Director of the Provincial Bank of Ireland.*

"I consider the cash account system, and the one pound circulation so connected, that if the notes are withdrawn, it is understood that our establishment will not grant any further cash credits. The business which we carry on, even if we charged a higher rate of interest, or a commission, would not be of sufficient magnitude to repay us for the expense of our establishment, independent of our notes. If the issue of small notes be withdrawn, then we cannot afford to allow interest on deposits." (*Lords' Report*, pp. 24, 26, 27.)

4. The abolition of small notes would prevent the investment of British capital in the present banking establishments.

T. S. RICE, Esq., M. P., and *Director of the Provincial Bank of Ireland.\**

"Is it your opinion, that if all notes under £5 were abolished, a considerable inconvenience would arise in the ordinary traffic in Ireland?—I conceive that it would. I conceive that the first effect of the extinction of all notes below £5 would be a much more considerable diminution of the general mass of the circulating medium in Ireland than in England.

"I fear extremely that if any thing were to occur which materially diminished the profits of our establishment, it would have the effect of depriving us of one of the chief benefits of the establishment, namely, the support and control of British capitalists, and conducting the bank by British merchants, and upon British commercial principles. I conceive a rate of profit, rather higher than the average rate of profits, is essential to induce persons so circumstanced to engage in such a business, more particularly when it is considered that there is no limitation of responsibility by the grant of charters." (*Lords' Report*, pp. 47, 51.)

5. The gold currency would be sent out of the country, whenever it bore a premium in England.

HENRY H. HUNT, Esq., *Local Director of the Provincial Bank of Ireland, at Waterford.*

"What do you think would be the consequence of a law which prohibited the issue of notes below £5, both by the Bank of Ireland and by any other banking establishment in Ireland?—I should think it would be very hazardous indeed: I should very much apprehend that the gold circulation would at times be *withdrawn* in a very great degree *from the country*, whenever gold was wanted in London; for instance, A SMALL PREMIUM UPON A SOVEREIGN WOULD INDUCE A VAST QUANTITY OF THEM TO BE BROUGHT OUT OF IRELAND.

"Have you ever known instances of quantities of gold being brought over from Ireland to this country, and persons making a regular traffic of it?—I have." (*Commons' Report*, pp. 73, 74.)

6. The proposed measure would cause general distress, and prevent the progress of enterprise.

\* Now Lord Monteagle.

JOHN ROBINSON PIM, Esq., General Merchant in Dublin.

"The very idea of curtailing the currency under £ 5 would have a tendency to discourage all adventure in Ireland at present. I should not, for one, be careful of placing money in any kind of machinery till the effect was tried. I fancy it would reduce property very much in that country,—and sometimes fancies are almost as bad as reality." (*Lords' Report*, p. 19.)

The following table was given in by Mr. Murray to the Committee of the House of Lords, showing the circulation of Ireland since the passing of the Act of 1845 :—

ABSTRACT of the RETURNS by the several BANKS OF ISSUE IN IRELAND under the Provisions of the Act 8th & 9th Victoria, cap. 37. From 3d January, 1846, to 20th May, 1848.

For the Four Weeks ended 1846.	Certified Issue of all the Banks. £	Notes of £ 5 and upwards. £	Notes under £ 5. £	Total Issue of all the Banks. £	Gold held. £	Silver held. £	Total Specie held by all the Banks. £
3d Jan. . .	6,354,494	3,039,855	4,364,509	7,404,366	2,221,944	267,308	2,489,254
31st Jan. . .	6,354,494	3,052,168	4,358,583	7,410,751	2,232,887	298,145	2,531,032
29th Feb. . .	6,354,494	3,066,529	4,403,198	7,469,729	2,262,714	304,582	2,567,300
29th March. .	6,354,494	3,071,589	4,373,371	7,444,960	2,246,022	322,131	2,568,158
26th April. .	6,354,494	3,170,291	4,366,031	7,536,323	2,204,748	321,861	2,526,613
23d May. . .	6,354,494	3,223,469	4,198,610	7,422,080	2,177,633	321,310	2,498,945
20th June. . .	6,354,494	3,072,053	3,899,973	6,972,026	2,082,018	332,981	2,415,002
18th July. . .	6,354,494	3,003,914	3,682,577	6,686,491	1,908,216	358,567	2,266,786
15th Aug. . .	6,354,494	2,969,671	3,520,844	6,490,517	1,887,457	376,335	2,263,796
12th Sept. . .	6,354,494	3,013,054	3,575,118	6,588,175	1,832,938	349,980	2,182,923
10th Oct. . .	6,354,494	3,183,979	4,067,575	7,251,555	1,894,453	345,812	2,240,267
7th Nov. . .	6,354,494	3,335,209	4,501,616	7,836,825	2,131,567	353,447	2,485,034
5th Dec. . .	6,354,494	3,273,325	4,566,204	7,839,530	2,253,124	316,467	2,569,596
1847.							
2d Jan. . .	6,354,494	3,151,117	4,364,295	7,515,414	2,264,266	343,740	2,608,012
30th Jan. . .	6,354,494	3,161,701	4,097,724	7,259,426	1,999,140	384,091	2,383,236
27th Feb. . .	6,354,494	3,158,358	3,871,694	7,030,053	1,796,792	383,389	2,179,184
27th March. .	6,354,494	3,123,516	3,581,218	6,704,736	1,710,405	403,693	2,114,100
24th April. .	6,354,494	3,163,465	3,357,768	6,521,234	1,547,530	445,010	1,992,545
22d May. . .	6,354,494	3,086,115	2,932,305	6,018,420	1,162,163	520,506	1,682,632
19th June. . .	6,354,494	2,835,513	2,629,436	5,464,951	1,028,579	520,299	1,548,882
17th July. . .	6,354,494	2,740,914	2,516,464	5,257,378	993,810	563,524	1,557,337
14th Aug. . .	6,354,494	2,670,376	2,426,869	5,097,245	969,590	597,627	1,567,221
11th Sept. . .	6,354,494	2,581,063	2,467,246	5,048,310	966,818	565,399	1,532,222
9th Oct. . .	6,354,494	2,636,692	2,718,920	5,355,613	1,006,066	511,643	1,517,713
6th Nov. . .	6,354,494	2,714,939	2,804,374	5,519,314	1,045,805	490,718	1,536,523
4th Dec. . .	6,354,494	2,597,237	2,725,502	5,322,741	1,087,074	503,692	1,590,770
1848.							
1st Jan. . .	6,354,494	2,502,756	2,693,357	5,196,116	1,112,955	505,800	1,618,760
29th Jan. . .	6,354,494	2,528,633	2,705,281	5,233,916	1,132,937	531,806	1,664,746
26th Feb. . .	6,354,494	2,510,595	2,709,483	5,220,080	1,144,032	562,846	1,706,882
26th March. .	6,354,494	2,505,565	2,601,829	5,107,395	1,096,722	584,711	1,680,437
23d April. . .	6,354,494	2,540,499	2,468,542	5,009,033	1,071,297	551,568	1,622,868
20th May. . .	6,354,494	2,561,459	2,279,211	4,840,672	1,087,162	501,318	1,588,485
		93,235,610	109,829,727	203,065,375	51,556,884	13,740,306	65,297,310

AVERAGES of the preceding Returns.

	Notes of £ 5 and upwards. £	Notes under £ 5. £	Total. £	Gold. £	Silver. £	Total Specie. £
Average for whole Period . . .	2,913,612	2,432,178	5,345,791	1,611,152	429,394	2,040,546
Average for the year 1846 . . .	3,121,269	4,144,461	7,265,721	2,106,004	334,268	2,440,266
Average for the year 1847 . . .	2,944,049	2,966,375	5,910,425	1,263,517	491,953	1,755,475
Average for the first Five Months of 1846 . . .	3,116,809	4,339,968	7,456,788	2,294,800	313,606	2,538,409
Average for the first Five Months of 1847 . . .	3,138,631	3,568,141	6,706,773	1,643,006	427,337	2,070,349
Average for the first Five Months of 1848 . . .	2,529,348	2,562,860	5,092,219	1,106,230	546,449	1,652,683



The last Return of the Circulation of Ireland is as follows :—

**AVERAGE CIRCULATION and COIN held by the IRISH BANKS during the four weeks ending Saturday, the 24th day of March, 1849.**

Names of Banks.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£ 5 and upwards.	Under £ 5.	Total.	
Bank of Ireland . . . . .	£ 3,738,428	£ 1,671,200	£ 927,450	£ 2,598,650	£ 809,690
Provincial Bank . . . . .	927,667	282,439	284,063	666,492	267,864
Belfast Bank . . . . .	281,611	29,997	186,426	216,423	110,829
Northern Bank . . . . .	243,440	23,287	148,251	171,538	94,098
Ulster Bank . . . . .	311,079	19,025	181,371	200,396	57,847
National Bank . . . . .	761,757	197,173	303,340	500,514	267,072
Carrick-on-Suir National Bank . . . . .	24,084	3,888	6,073	9,962	3,738
Clonmel National Bank . . . . .	66,428	17,501	20,274	37,775	17,731
<b>Totals . . . . .</b>	<b>6,364,494</b>	<b>2,244,510</b>	<b>2,167,238</b>	<b>4,401,750</b>	<b>1,708,867</b>

We have noticed the different meanings given to the word “circulation” in England, since the passing of the Act of 1844. By the Act of 1845, it is enacted that this word shall have the following meaning in Scotland and Ireland :—

“Section 17. — And be it enacted, That all bank notes shall be deemed to be in circulation from the time the same shall have been issued from any banker, or any servant or agent of such banker, until the same shall have been actually returned to such banker, or some servant or agent of such banker.”

It may be useful to trace the effects of this Act (the Act of 1845, 8 & 9 Vict. c. 37) upon the state of banking in Ireland, as compared with the effects of similar enactments in Scotland and England.

1. The limitation of issue in Ireland, as in Scotland, is not absolute. The banks may issue beyond this limit, if they retain an amount of gold and silver equal to this excess. In England the prohibition is absolute. The probable effect will be, that these enactments will not lead to any permanent decrease of the circulation in Ireland or Scotland. The banks will merely import more gold when the circulation increases. In England it seems probable that the circulation will permanently decrease. Means will be employed to conduct banking operations with fewer notes, and these means will operate at all times, when the circulation is low, as well as when it is high.

The provision of the Act of 1845, which requires the banks of Scotland and of Ireland to keep an amount of gold equal to the notes in circulation beyond the fixed limits, tends, as we have observed, to restrict the granting of cash credits in Scotland. We doubt if it will have an equal effect in Ireland, simply because the cash-credits exist only to a limited extent. The Provincial Bank introduced the system in 1825; and no system could be better adapted to the state of the country. It would doubtless have greatly improved the condition and the habits of the people; but the iniquitous runs for gold which, at the suggestion of reckless

politicians, took place in 1828, 1830, 1831, and 1833, compelled the banks to restrict their operations. Had the banks remained without molestation, the whole of the agricultural districts of Ireland would probably by this time have had the benefits of this system, with the same beneficial results which have been realized in Scotland.

2. In Ireland these measures will not tend to produce so great an increase of gold as in Scotland. In Scotland the banks, previous to the passing of the Act, kept but a small amount of gold. But in Ireland the banks, from their liabilities to runs, have always kept large deposits of gold. The amounts required by the Act are not larger than those formerly kept in their vaults. It appears from the returns, that the Bank of Ireland has recently kept a smaller amount than before the passing of the Act. Hence their means of affording accommodation are not diminished; and as they sustain no loss, they have no reason for increasing their charges. It may, however, confirm the Irish banks in their regulation not to give interest on current accounts. Nowhere throughout Ireland is this system now followed. The Bank of Ireland gives no interest on any class of lodgments. The joint-stock banks allow it only on deposit receipts. The reason assigned by the Scotch banks was that the operations on these accounts maintained in circulation a large amount of their notes. This will be no advantage if the bank must retain an amount of gold equal to this increase of notes in circulation.

3. The prohibition of new banks of issue has operated variously in the three countries. In Ireland it was beneficial; in Scotland it has been harmless; and in England it is injurious. The Agricultural Bank of Ireland caused considerable mischief. To prevent the recurrence of such evils, the most effectual way was to prohibit the formation of new banks of issue. Hereafter this restriction may become oppressive. Cork, and Limerick, and Waterford may become sufficiently wealthy to supply a banking capital, and may wish to form local banks. The local banks at Belfast have conferred great benefits on the north of Ireland. In Scotland the banks are sufficiently numerous; and, as they are allowed to unite, the authorized issue of notes is never likely to be less than it is. And although restrictions on banks are unsound in principle, they may not at present do any harm in Scotland. In England the restriction is injurious. Had we an unlimited power of forming new banks, many of those firms that now consist of not more than six partners would be merged in larger establishments. The number of banks would be less, — the amount of their issues would probably be less, — but they would attract a higher degree of public confidence, and their character and continuance would not be dependent upon the lives of individual partners.

4. Unions of Banks in either Ireland or Scotland are not very likely, nor perhaps desirable. The banks are large, have a respectable capital, and enjoy the public confidence. In England, many banks are small, and have small capitals. Union among them would be highly beneficial. Yet such is the waywardness of legislation, that the Acts of 1844 and 1845 give facilities to unions in Ireland and Scotland, and restrict them in England. In Ireland and Scotland two banks of issue may unite, and the united bank have the united circulation. In England, if two banks of

issue, either of which has more than six partners, should unite, the circulation of one or both of these banks would be lost.

5. The Act passed in 1844, for the regulation of joint-stock banks in England, was extended in 1846 to Scotland and Ireland, with the omission of the clause that rendered the banks subject to the laws of bankruptcy. By a clause in these Acts, any bank for the formation of which proceedings had been taken before the 6th May, and which was actually in business on the 4th of July, must at the end of a year after the passing of the Act either retire from business or take a charter. The Preston Banking Company was in this case, and accordingly became a chartered bank. This is the only bank that has a charter under the Act in England. The Exchange Bank of Scotland was in a similar case, and on the 31st of December, 1846, became a chartered bank. There is no bank of this kind in Ireland.

From the extracts we have made from the Act at p. 308, it will be seen that no new joint-stock bank can be formed of a less nominal capital than £ 100,000, and half the capital must be paid up before the commencement of business; that the assets and liabilities of the company must be published once at least in every month; and that at least one fourth of the directors shall retire yearly, and shall not be eligible for reëlection for at least twelve calendar months. As a specimen of the monthly returns required, we copy from the *London Gazette* the last return of the Preston Banking Company: —

*Account of the ASSETS and LIABILITIES of the PRESTON BANKING COMPANY, at Preston, on Saturday the 7th day of April, 1849.*

ASSETS.		LIABILITIES.	
Bills of Exchange, Bank Premises, Preliminary Expenses, Loans, &c., Cash in Bank, and Deposits in other Banking Establishments . . .	£ 309,658 2 1	Capital stock . . .	£ 100,000 0 0
		Deposits, and other Liabilities . . .	206,899 4 3
		Undivided Profits . . .	2,758 17 10
	£ 309,658 2 1		£ 309,658 2 1

That provision of the act which requires one fourth of the directors to retire annually, and which declares them ineligible for election for one year, has been the subject of much discussion. The object of the Legislature appears to have been to prevent those evils which, in public companies of every kind, occasionally arise from the undue ascendancy of individual directors. Practically, it may be injurious or advantageous to a bank, according to circumstances. On the one hand, it may deprive a bank of the services of its most useful directors for one year. And on their return, they may be less useful than heretofore, from being less acquainted with the transactions that have taken place during their absence. In small country banks it might not be easy to find other parties to take the places of the directors who had thus retired. On the other hand, it has been contended that the number of the directors, and consequently their influence, would thus be virtually increased, — that, while on some occasions the most clever directors would be compelled to retire, at other times the least clever would retire, and their places might be better supplied, — that the retirement of even the most clever might call forth the energies of the

others, and thus the talents of the whole might be improved, — that the plan tends to prevent the undue ascendancy of any individual director, or of any knots or parties of directors, for any length of time, — and that it is a convenient means of getting rid of an inefficient, injurious, or disagreeable director : for, as when he is once out, it would be easy for the board, if so disposed, to prevent his reelection. By the charter of the Bank of Ireland, fifteen directors are chosen annually, and not above two thirds of the directors of the preceding year can be reelected.

6. There is another difference between Scotland and Ireland with reference to banking operations, though it does not arise from the above-mentioned Act. At the time of the union between England and Ireland, Ireland had her debts as well as England. And although England became liable for these debts, the dividends continued to be paid, and the transfers made in Dublin. Hence Government stock is bought and sold there in the same way as in London. Besides this, any party may purchase stock in Ireland, and have it transferred to England, or the reverse. The plan is this : — Any person holding stock may go to the Bank of England, either personally or by power of attorney, and get a ticket that will authorize him to have the same amount of stock put in to his name in Ireland. The stock in England is then transferred to the commissioners for the reduction of the National Debt. He may go to the Bank of Ireland in Dublin and reverse the operation. Several Acts of Parliament have been passed with reference to this subject. The last is the 5th Geo. IV. c. 53, passed in the year 1824. When there is a great difference in the price of stocks in the two countries, operations of this kind may be very profitable.

This power of transferring government stock from one country to the other has a tendency to equalize the price in both countries. It also serves the purpose of a medium of exchange. A transmission of stock has the same effect in rectifying the exchanges as a transmission of gold. And, doubtless, the exchanges between England and foreign countries might, to a great degree, be adjusted in the same manner.

There is a Stock Exchange in Dublin similar to that of London, established for the purchase and sale of Government stock, bank stock, railway shares, &c. No person can transact business there unless he has obtained a license from the Lord Lieutenant. The number of these persons is at present about twenty-five. There are no time-bargains as in London. The borrowing and lending of money on stock are matters of daily occurrence. This is not always done through brokers. Individuals often effect these transactions directly with the banks. The general rule is, that the lender shall have a margin of 5 per cent. on the value of the stock, and shall be entitled to call for additional security whenever the market price falls below that difference.

#### *The Exchanges between the Banks*

Since the Act of 1845 — when other banks besides the Bank of Ireland acquired the power of issuing notes in Dublin — a system of clearing, or, as it is called, of exchanges, has been established, similar to that established in Edinburgh.

The following is a copy of a clearing balance-sheet:—

BALANCES OF EXCHANGES WITH OTHER BANKS, ON \_\_\_\_\_, 1849.

DUE TO IT.			WITH	DUE BY IT.		
			Bank of Ireland.			
			Provincial Bank.			
			National Bank.			
			Northern Bank.			
			Belfast Bank.			
			Ulster Bank.			

Here we may observe that all the banks that clear are banks of issue; and the clearing in Dublin includes all the banks of issue in Ireland, although three of these banks have their head quarters in Belfast. The Belfast banks clear by their agents. The Bank of Ireland is the agent for the Northern Bank and the Belfast Bank, and the Royal Bank of Ireland is the Dublin agent for the Bank of Ulster. It will also be observed that the Bank of Ireland—the chartered bank—is a member of the clearing; and, in fact, the clearing is held daily, at two o'clock in one of the rooms of that establishment. The differences are paid daily, like those at Edinburgh, in exchequer bills. The following are the amounts required to be held by each bank:—

The Bank of Ireland,	£ 134,000
The Provincial Bank,	58,000
The National Bank,	48,000
The Northern Bank,	30,000
The Belfast Bank,	30,000
The Ulster Bank,	30,000
	<u>£ 330,000</u>

Those banks in Dublin that are not banks of issue are not members of the clearing. Although the Royal Bank of Ireland attends the clearing as the agent of the Ulster Bank, it does not clear on its own account. All the non-issuing banks, however, have accounts with the Bank of Ireland, and pay into that establishment the cheques they may have on the other banks. The National Bank, though an issuing bank, and a member of the clearing, has no account with the Bank of Ireland.

This system of clearing appears to work very satisfactorily. The following is an extract from a letter I received a few days ago from an Irish banker, on the subject:—

“The settlement of our ‘exchange balances’ in Dublin, through the use of excheq-

uer bills, works very well. The great evil, *previously*, was, that when these balances were of magnitude, Dublin was such a limited money market there was difficulty and expense in raising the needful quantity of Irish money for the purpose. If you anticipated the balance to be heavy against you, it was requisite to prepare some time *before*, and to have your funds lying idle and unproductive until the crisis arose. *Now*, we have exchequer bill interest for our surplus, and the power of replenishing our stock account whenever required by drawing on *London*, thus possessing the unbounded advantages of the greatest money market in the world. In point of fact, the arrangement has virtually changed the venue, and made *London* the actual and final place of settlement, through machinery worked in Dublin."

The following are the "Regulations for making exchanges between the several banks in Ireland, at Dublin, and for settling the balances of such exchanges, at Dublin; to take effect from and after the 8th day of December, 1845."

"1. The exchange shall be made daily at two o'clock, P. M.

"2. The payments of the balances shall be made in exchequer bills, except for the fractional parts of £ 500 which may be paid in the notes of the particular bank debtor.

"3. The exchequer bills shall be filled up in favor of the bank who may be the original holders, and shall bear the distinguishing mark of 'Dublin Exchange Bills,' showing that they belong to the Dublin exchanges, and are not intended to be used for any other purpose, and shall be received *at par*, with the interest that may be due when the transfer takes place.

"4. The amount of exchequer bills to be kept in the circle is fixed at £ 330,000, to be apportioned amongst the following banks in fixed sums, calculated in their respective amounts of circulation:—

#### NAMES OF BANKS.

Bank of Ireland.  
Provincial Bank.

Northern Bank.  
Belfast Bank.

Ulster Bank.  
National Bank.

The sums being once fixed, each bank is to maintain its quota at all times, as herein-after provided.

"5. Nine tenths of the exchequer bills to be of £ 1,000, and one tenth of £ 500.

"6. The amount of exchequer bills held by each bank shall be stated every day in the Clearing-room.

"7. It is expedient that no bank shall be obliged permanently to hold more exchequer bills than a surplus of one third above the fixed amount, nor shall be allowed to reduce the amount held more than one third below the fixed amount; but as the exchequer bills will accumulate with some of the banks, and be required by others, it shall be imperative on the parties so situated to sell or buy exchequer bills; that is to say, the bank holding the greatest amount of exchequer bills shall be bound to sell to the bank in want of them, what may be required for the legitimate purposes of the exchanges; but it shall not be imperative on that party to sell a greater amount than what will reduce their stock to the original quota, and the purchaser shall be bound to take bills from those parties having the greatest proportionate amount of them beyond their respective original quota.

"8. The preceding regulations will tend in a great degree to equalize the amount of exchequer bills; but if exchequer bills shall nevertheless accumulate in the hands of a bank, so as to exceed their original quota by more than one third, that party shall have the power to call upon the party or parties holding the smallest amount in proportion to their quota to purchase the excess—that is to say, the excess above their quota—plus one third; but it shall not be imperative on any party to take more than is required to bring up their stock to two thirds of the original amount.

"In this way the fluctuation in the amount of exchequer bills amongst the different banks, which is an essential part of this arrangement, need never permanently exceed one third more or one third less than the original quota of each bank.

"The terms of purchase to be governed by the next regulation.

"9. The bank seeking to buy, or being called upon to buy, exchequer bills, from the bank or banks holding in excess of their quota, shall pay for the purchase by a Letter of Credit on their London correspondent, demandable on the fifth day after the date

thereof, the purchaser paying 1s. 3d. per cent. on the amount of the Letter of Credit; or to pay the amount in gold in Dublin, at the option of the holders of the bills.

"10. The exchequer bills to be used for the Dublin exchanges are to be as nearly as possible divided into the two dates of March bills and June bills, which are to be exchanged at the Paymaster-General's Office here before due, and new ones to be provided, so as to keep up the stock in the circle; and no exchequer bills advertised to be paid are to be used in the exchanges.

"11. Each bank is to be always liable to the income-tax on the interest of its original quota of exchequer bills, and no more; and the exchequer bills advertised to be renewed are, within a week after the Government notice appears in the *Gazette*, to be given up to the original holders, upon receiving other bills not advertised, failing which, a Letter of Credit on London, demandable on the fifth day from its date, subject to the charge as stated in No. 9, is to be given, or the amount to be paid in gold, at the option of the holders of advertised bills.

"12. The exchanges are to be made at the Bank of Ireland, who undertake to pay those banks who are creditors in the exchange the exchequer bills or bills of exchange received from those banks who are debtors in the exchange; but the Bank of Ireland shall not be in any way responsible for the exchange transactions, or otherwise soever.

"13. The statement of the balances after they are struck to be sent to their respective banks from the Clearing-room, by their clerks; and the clerks of banks creditors to be in waiting to receive the amount due to them at two o'clock.

"14. Any bank a party to this agreement to have the power of withdrawing from it, and receiving back their exchequer bills at par, upon payment of them if needful, upon giving three months' notice.

"15. No bank a party to this arrangement shall, after the 8th of December, 1845, directly or through any agent, demand gold from or pay gold to any other bank or banks parties to this arrangement, except as hereinbefore provided, unless under special agreement between any two of the banks they mutually arrange to pay and receive a sum of gold.

"It is assumed that each bank always has its statutory amount of gold, and if any bank be either in excess or deficiency in that amount, the export or import of gold must be borne by the bank seeking to diminish or increase its stock.

"Any violation of this regulation after the 8th of December, 1845, to be considered a virtual withdrawal of the bank who departs from this rule.

"N. B. The foregoing arrangements are to be subject to such alterations and amendments as may be required and agreed on by the several banks parties thereto, after the plan shall be in operation, and its working effect ascertained."

#### THE IRISH BANKS. — ADDENDUM.

(From the *London Bankers' Almanac, Diary, and Year Book*, for 1851.)

<i>Names.</i>	<i>Established.</i>	<i>Paid-up Capital.</i>	<i>Reserved Fund.</i>	<i>Fixed Issue.</i>	<i>No. of Branches.</i>
		£	£	£	
1. Bank of Ireland, . . . . .	1783	3,000,000	1,093,300	3,738,428	24
2. Belfast Banking Company, . . . . .	1827	125,000	....	281,611	20
3. Hibernian Bank, Dublin, . . . . .	1825	280,000	68,000	No Issue	3
4. National Bank of Ireland, . . . . .	1835	450,000	50,105	761,757	48
5. Do. do. Clonmel, . . . . .	1836	....	....	66,428	..
6. Do. do. Carrick-on-Suir, . . . . .	"	....	....	94,094	..
7. Northern Banking Company, Belfast, . . . . .	1825	150,000	49,479	943,440	11
8. Provincial Bank, . . . . .	1825	540,000	110,182	927,667	38
9. Royal Bank of Ireland, . . . . .	1836	209,175	45,745	No Issue	None
10. Tipperary Joint-Stock Bank, . . . . .	1838	....	....	"	8
11. Ulster Banking Company, . . . . .	1836	200,000	....	311,079	14

<i>General Circulation.</i>	<i>Dec. 4, 1847.</i>	<i>Dec. 2, 1848.</i>	<i>Dec. 1, 1849.</i>	<i>Nov. 2, 1850.</i>
	£	£	£	£
1. Bank of England, . . . . .	20,161,404	18,702,000	18,155,000	19,787,000
2. Private Banks, . . . . .	3,691,000	3,703,000	3,703,000	3,784,000
3. Joint-Stock Banks, . . . . .	2,576,000	2,727,000	2,703,000	2,894,000
4. Irish Banks, . . . . .	2,147,000	2,117,000	4,674,000	4,994,000
5. Scotch Banks, . . . . .	2,732,000	3,670,000	3,500,000	3,318,000

### SECTION VIII.—THE MORAL AND RELIGIOUS DUTIES OF BANKING COMPANIES.\*

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"I implore the blessing of Divine Providence on our united efforts to encourage the industry and increase the comforts of my people, and to inculcate those Religious and Moral Principles which are the surest foundation of our security and happiness." — SPEECH FROM THE THRONE, Aug. 9, 1845.

"Property has its Duties as well as its Rights." — THE LATE MR. DRUMMOND.

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THIS is the age of public companies. The principle of association is one of the most powerful agents of modern times. Whatever object we wish to accomplish, whether political or commercial, literary or religious, the first step is to form a society. Those joint-stock associations that involve the outlay of capital with a view to profit, are called public companies; and these form the subject of our present inquiries.

Public companies now occupy a distinguished place in our social economy. We receive our education in schools and colleges founded by public companies. We commence active life by opening an account with a banking company. We insure our lives and our property with an insurance company. We avail ourselves of docks, and harbours, and bridges, and canals, constructed by public companies. One company paves our streets, another supplies us with water, and a third enlightens us with gas. At home, numerous luxuries are brought within our reach by different companies. And if we wish to travel, there are railway companies, and steamboat companies, and navigation companies, ready to whirl us to every part of the earth. And when, after all this turmoil, we arrive at our journey's end, cemetery companies wait to receive our remains, and take charge of our bones.

The question that now claims our attention is, whether these powerful companies ought to be regarded as moral agents? that is, whether they are capable of virtuous and vicious actions, and, like individuals, are responsible to a Superior Power, who will reward or punish them according to their works.

In examining this question, we shall propose the following inquiries:—

First. Ought public companies, like individuals, to be regarded as moral agents, and therefore bound to perform moral and religious duties?

Seccond. What are those moral and religious duties which, as moral agents, public companies are bound to perform?

\* This section was printed separately in the beginning of the year 1846, under the title of "The Moral and Religious Duties of Public Companies." It was designed only "for private distribution among such of the writer's friends as were in a position to influence the conduct of public companies." The favorable opinion of it expressed by some of those friends, has induced me to publish it as a portion of the present work.



Third. What are those rewards or punishments which may be expected to follow the performance or non-performance of those duties?

FIRST. We inquire, ought public companies, like individuals, to be regarded as moral agents, and therefore bound to perform moral and religious duties?

We assume, at the commencement of our inquiries, that mankind, *as individuals*, are moral agents, having had laws laid down for their government by a Superior Being, to whom they are responsible for their actions. They who deny this proposition (if such there be) are not the persons for whose perusal these pages are designed; and therefore we will not ask them to accompany us any farther in our inquiries.

Assuming that mankind are responsible, as individuals, we propose to inquire whether public bodies, *as such*, are subject to the same responsibility. And here we would suggest the following considerations:—

1. Public companies are recognized as moral agents by the laws of the country in which they are established.

Public companies have, by law, the same rights as individuals; their property is protected by the same laws as that of individuals. Theft or fraud towards them is attended with the same punishment. They can sue and be sued in the same courts of justice. The military and naval forces protect them from external violence. They have the same commercial privileges, and can buy and sell and get gain. The improvements in the arts and sciences benefit them as well as individuals; and whatever new laws are passed by the Legislature confer upon them the same benefits as upon individual citizens. Having the same rights, they have necessarily the same duties as individuals. Equality of privilege implies equality of moral obligation. Property has its duties as well as its rights; and if the property which to-day is in the hands of an individual is transferred to-morrow into the possession of a thousand individuals, would it not carry with it the same amount of moral obligation? Would not the possession of the property demand from the company the same duties towards their servants, their fellow-citizens, their country, and their God, which it previously demanded from the individual? and would they not be equally bound to the exercise of justice, kindness, benevolence, and patriotism? The success of public companies is often at the expense of individuals. Ought they not, then, to be called upon to perform the social duties of the classes they have annihilated? On these principles the legislatures of all countries have imposed on public companies the same duties as on individuals; and in case of violations of its laws, have rendered them subject to the same penalties. They have thus been recognized as moral agents.

2. Public companies are capable of sustaining many social relations which are the foundation of moral duties.

The social relations of public companies are various. They may be buyers or sellers, debtors or creditors; they may employ others, or be employed themselves; they may be receivers or bestowers of favor; they may be friends or enemies, neighbours or strangers; they may be wealthy or indigent, in prosperity or adversity; they may be influential or otherwise; they may be plaintiffs or defendants in a court of law, or be the

accusing or the accused party in a criminal court. Every relationship implies a corresponding duty; and we contend that public companies, in any of these relative positions, are bound to perform the same duties which the same relations would impose upon individuals.

If it were necessary to quote Scripture, to show that relation implies corresponding duties, we might multiply quotations, — a few will suffice: —

"Have we not all one father? Hath not *one God created us*? Why do we deal treacherously every man against his brother?" Mal. ii. 10.

"A son honoreth his father, and a servant his master: if, then, I be a father, where is mine honor? And if I be a master, where is my fear?" Mal. i. 6.

"It is not for *kings* to drink wine, nor *princes* strong drink." Prov. xxxi. 4.

"It was not an *enemy* that reproached me; then I could have borne it: but it was thou, a man mine equal, my guide, and my acquaintance." Ps. lv. 12, 13.

"Thou shalt neither vex a *stranger*, nor oppress him: for ye were strangers in the land of Egypt." Exod. xxii. 21.

"Am I a Jew? Thine own *nation* have delivered thee unto me." John xviii. 35.

"Ye call me *Master* and *Lord*: and ye say well; for so I am. If I, then, your Lord and Master, have washed your feet; ye also ought to wash one another's feet." John xiii. 13, 14.

"There was a certain creditor which had two *debtors*: the one owed five hundred pence, and the other fifty. And when they had nothing to pay, he frankly forgave them both. Tell me, therefore, which of them will love him most." Luke vii. 41, 42.

"Shouldst not thou also have had compassion on thy *fellow-servant*, even as I had pity on thee?" Matt. xviii. 33.

"Which now of these three, thinkest thou, was *neighbour* to him that fell among thieves? And he said, He that showed mercy on him." Luke x. 36.

"Love as *brethren*." 1 Pet. iii. 8.

"Sittest thou to *judge* me after the law, and commandest me to be smitten contrary to the law?" Acts xxiii. 3.

"What hast thou that thou didst not receive? now if *thou didst receive it*, why dost thou glory, as if thou hadst not received it?" 1 Cor. iv. 7.

"If any man see thee *which hast knowledge* sit at meat in an idol's temple, shall not the conscience of him which is weak be emboldened to eat those things which are offered to idols; and through thy knowledge shall the weak brother perish?" 1 Cor. viii. 10, 11.

"Art thou a *Master of Israel*, and knowest not these things?" John iii. 10.

"Thou that teachest another, teachest not thou thyself?" Rom. ii. 21.

"If thou, being a Jew, livest after the manner of the Gentiles, and not as do the Jews, why compellest thou the Gentiles to live as do the Jews?" Gal. ii. 14.

All these quotations refer to certain relations, and intimate certain duties. They serve to prove the general principle, that every relation implies a corresponding duty; and hence we infer, that so far as public companies are capable of sustaining the same relations, they are bound to the performance of the same duties.

3. Public companies sustain those relations to the Deity which imply an obligation to the performance of moral and religious duties.

We have considered public companies in their relation to the community in which they are established; in relations they may sustain to individual members of that or any other community; we shall now consider them in their relation to the Deity. This forms the chief ground of moral and religious duty. Their relation to the Deity is a relation of dependence. It will not be denied that for every talent necessary to conduct their operations, and for all the success which may attend their exertions, public bodies are as dependent as individuals upon the kindness of Providence. Every good and every perfect gift cometh down from

the Father of Light. (James i. 17.) Their relation to the Deity is also a relation of obligation. They have received favors; as recipients of favors it is their duty to be grateful, and this duty is the more obligatory in proportion to the greatness and condescension of their Benefactor. Their relation to the Deity is also a relation of responsibility. They possess wealth, influence, power. Providence never bestows these talents, without holding the parties on whom they are bestowed responsible for their proper use. Those who duly improve the talents with which Providence has intrusted them, will have those talents increased, and be rewarded by the Divine approbation. Those who neglect to use these talents, are held responsible for their neglect, and will be punished for their inactivity. (Luke xix. 13 - 26.) We have no reason to suppose that public companies are excluded from the general rules of the Divine administration. As far, then, as they are endowed with the same talents as individuals, so far must they be considered as subject to the same responsibilities. From these considerations we infer, that public companies, like individuals, are moral agents.

4. Public companies are analogous to other collective bodies who are acknowledged to be moral agents.

It will not be denied that a *nation* may declare an *unjust* war, may carry it on in a *cruel* manner, may treat a conquered nation with *oppression*, or may conduct a treaty of peace with *duplicity* and *fraud*. Nor will it be denied, that a nation may become immoral by the extinction of moral feeling in its rulers, and throughout the population.

If, then, nations are capable of performing virtuous or vicious actions, then are they moral agents; to be rewarded or punished according to their actions. The doctrine of national responsibility is thus stated by Moses: —

“If ye will walk in my statutes, and keep my commandments, and do them; then I will give you rain in due season, and the land shall yield her increase, and the trees of the field shall yield their fruits, and your threshing shall reach unto the vintage, and the vintage shall reach unto the sowing time: and ye shall eat your bread to the full, and dwell in your land safely. And I will give peace in the land, and ye shall lie down, and none shall make you afraid; and I will rid evil beasts out of the land, neither shall the sword go through your land. And ye shall chase your enemies, and they shall fall before you by the sword. And I will set my tabernacle among you, and will be your God, and ye shall be my people.” Lev. xxvi. 3 - 12.

“But if ye will not hearken unto me, and will not do all these commandments, I also will do this unto you; I will appoint over you terror, consumption, and the burning ague, that shall consume the eyes, and cause sorrow of heart: and ye shall sow your seed in vain, for your enemies shall eat it; and I will set my face against you, and ye shall be slain before your enemies; they that hate you shall reign over you; and ye shall flee when none pursueth you. And if ye will not yet for all this hearken unto me, then I will punish you seven times more for your sins.” Lev. xxvi. 14 - 18; Deut. xxviii. 1 - 15; Neh. ix.; Jer. v. 23 - 28: vii. 5 - 7; xviii. 7 - 10; xxii. 2 - 9; Ezek. xxii.; Matt. xxiii. 34 - 38.

The Jewish history presents the most remarkable instance on record of a nation being rewarded for their righteousness and punished for their disobedience. The nations they conquered were subjected to the same discipline, and it is expressly stated that those nations were punished for their sins. And those who have studied the philosophy of history will

have observed, that nations have risen and fallen in political greatness as they have risen and fallen in their observance of the principles of morality and religion.

On this subject we might quote the language of historians, of moralists, of philosophers, and of theologians ; but we prefer citing the language of a monarch, especially as that monarch is our own. Surrounded by her nobles, her senators, her councillors, her judges, her generals, and her admirals, — Queen Victoria has declared from the throne, “**RELIGIOUS AND MORAL PRINCIPLES ARE THE SUREST FOUNDATION OF OUR SECURITY AND HAPPINESS.**”

As, then, large bodies of men, like nations, are rewarded or punished in their collective capacity, for their virtuous or vicious actions, it would seem to follow, that smaller bodies of men, like public companies, may be subjected to the same moral discipline.

A public company, like a nation, is composed of a number of individuals who have a government for the regulation of their affairs, and whose acts are considered as the acts of the whole body. It is true that a public company is composed of a smaller number of persons than a nation, but that cannot affect the moral character of its actions. It is also true, that while a nation must always act through its government, a public company may, and often does, at the general meeting of its shareholders, act independently of its government ; but neither can this alter its moral agency ; for whether the form of government be aristocratical or democratical, the duties of a nation, or of a public company, remain the same.\*

In opposition to this doctrine, it may be contended that, to render public bodies of men responsible in their collective capacity, would be destructive of personal or individual responsibility. But this is not the case. A nation may be punished for its national crimes, and yet the individual who may have caused these crimes may sustain an individual punishment. Thus Jeroboam, Ahab, and other kings of Israel, were individually punished, while, at the same time, the nation was also punished in its collective capacity. So a public company may be punished or rewarded for its actions, while, at the same time, any individual who caused these actions may also be personally rewarded or punished. It may, too, be objected, that if a public company is to be punished as such for its acts, then all the partners would share in the punishment, though many of them may have been quite innocent of the crime. To this we answer, that the same objection would apply to the doctrine of national responsibility.† It is not

\* In this discussion we consider public companies as corporations, and inquire what duties they, as corporations, owe to other parties. The several duties of directors, officers, and shareholders, do not lie within the range of our inquiries.

† The logical reader need not be reminded, that in arguments from analogy it is a sufficient answer to an objection to show that the objection applies with equal force to the doctrine from which the analogy is drawn. Thus, in the text, the moral responsibility of nations is assumed as admitted by all parties, and therefore requiring no further proof. From the resemblance or analogy between the two cases, we infer the moral responsibility of public companies. It is therefore a sufficient answer to any objection against the latter doctrine, to show that it will equally apply to the former. Indeed, the more numerous the objections, if they will apply equally in both cases, the more the argument is strengthened ; as they are confirmatory of the soundness of the analogy.

possible in the case of a large body of men for every individual to take part in its actions. The act of the authorized government, or of the majority of the members, must be regarded as the act of the whole community, and every individual must share in the prosperity or adversity resulting from such acts.

It may further be observed, that it is not inconsistent with the principles of the Divine government for persons to suffer for the wickedness, or to be rewarded for the righteousness, of those with whom they are socially connected: —

"I the Lord thy God am a jealous God, visiting the iniquity of the fathers upon the children unto the third and fourth generation of them that hate me; and showing mercy unto thousands of them that love me, and keep my commandments." *Exod. xx. 5, 6.*

In our own day, we witness numerous instances of children possessing wealth, mental cultivation, and influence in society through the virtues of their parents. And also, not a few cases of children being reduced to poverty and degradation through the vices of their parents. Children suffer through the conduct of their parents, and parents through the conduct of their children; masters by their servants, and servants by their masters. In fact, it is not possible for any individual, however obscure, to be either virtuous or vicious without in some way promoting the happiness or misery of some person besides himself. It is, therefore, no valid objection to the doctrine of the moral responsibility of public companies that it renders all the partners answerable for the conduct of the majority. In fact, human governments act upon this principle. If any company were to incur penalties to the state, those penalties would be enforced against the whole property of the company, though many individual partners might be quite unconscious of the offence by which those penalties were incurred.

We might further confirm our doctrine by tracing the analogy between public companies and families.

"Pour out Thy fury upon the *families* that call not on Thy name." *Jer. x. 25.*

"In that day I will perform against Eli all things I have spoken concerning *his house*; for I have told him that I will judge his house for ever, for the iniquity which he knoweth; because his sons made themselves vile and he restrained them not. And therefore I have sworn unto the house of Eli, that the iniquity of Eli's house shall not be purged with sacrifice nor offering for ever." *1 Sam. iii. 12-14.*

"And the ark of the Lord continued in *the house* of Obed-edom the Gittite three months: and the Lord blessed Obed-edom, and all his household; and it was told King David, saying, The Lord hath blessed the house of Obed-edom and all that pertaineth unto him, because of the ark of God." *2 Sam. vi. 11, 12.*

"And Jeremiah said unto the house of the Rechabites, Thus saith the Lord of Hosts, the God of Israel; Because ye have obeyed the commandment of Jonadab your father, and kept all his precepts, and done according to all that he hath commanded you: therefore thus saith the Lord of Hosts, the God of Israel; Jonadab, the son of Rechab, shall not want a man to stand before me for ever." *Jer. xxxv. 18, 19.*

We might adduce other declarations respecting the families of David, Jeroboam, Ahab, and others. It may be objected, that in these cases the families were rewarded or punished for the acts of the head of the family, and not for their own. It appears, however, that the families concurred in the actions of their head. When this was not the case, the

exception is mentioned (1 Kings xiv. 13), and in others it is expressly stated that the reward or punishment of the family would in some degree depend upon their own conduct (Ps. lxxxix. 30-33).

The doctrine of collective responsibility in the present world might be still further confirmed by references to the punishments inflicted on particular cities. We will refer only to Nineveh and Jerusalem. In the former case an act of general humiliation obtained a remission, or at least a postponement, of the punishment due to their wickedness; and in the latter, their sin in rejecting the Gospel was visited with a signal punishment.

"The word of the Lord came unto Jonah, saying, Arise, go to Nineveh, that great city, and cry against it; for their wickedness is come up before me. . . . And he cried and said, Yet forty days, and Nineveh shall be overthrown. So the people of Nineveh believed God, and proclaimed a fast, and put on sackcloth, from the greatest of them even to the least of them. For word came unto the king of Nineveh, and he arose from his throne, and he laid his robe from him, and covered him with sackcloth, and sat in ashes. And he caused it to be proclaimed and published through Nineveh by the decree of the king and his nobles, saying, Let neither man nor beast, herd nor flock, taste any thing: let them not feed, nor drink water: but let man and beast be covered with sackcloth, and cry mightily unto God: yea, let them turn every one from his evil way, and from the violence that is in their hands. Who can tell if God will turn and repent, and turn away from his fierce anger, that we perish not? And God saw their works, that they turned from their evil way; and God repented of the evil that he had said that he would do unto them; and he did it not." Jonah i. 2; iii. 4-10.

"And when he was come near, he beheld the city, and wept over it, saying, If thou hadst known, even thou, at least in this thy day, the things which belong unto thy peace! but now they are hid from thine eyes. For the days shall come upon thee that thine enemies shall cut a trench about thee, and compass thee round, and keep thee in on every side, and shall lay thee even with the ground, and thy children within thee; and they shall not leave in thee one stone upon another; because thou knewest not the time of thy visitation." Luke xix. 41-44; Matt. xxiii. 37, 38.

Before quitting this branch of our inquiry, we may notice one practical application of the doctrine of collective responsibility. It is, that every individual member of a public body, whether a nation, a family, or a company, should induce that body to walk in the path of uprightness. For should they not do so, he will have to bear a portion of the collective punishment, though he may not personally have taken any active part in the crime (Matt. xxiv. 19).

SECONDLY. — Having shown that public companies are moral agents, and consequently bound to the performances of certain duties, we shall now inquire what are those duties which, as moral agents, public companies are bound to perform.

We shall not attempt to enumerate all these duties, but merely make a selection of the most important, and these we shall classify as, I. The duties of patriotism; II. The duties of social relationship; III. The duties of religion; IV. The duties of benevolence.

#### L. The duties of patriotism.

By the duties of patriotism we mean those duties which a public company owes to the state. Patriotism is the love of one's country, or, more properly, the love of one's nation. Public spirit is a willingness to sacrifice a portion of one's time, property, or comfort, to promote the happiness

of one's fellow-citizens. These are duties obligatory on every citizen (Ps. cxxxvii.; Neh. i. 4; ii. 3; Rom. ix. 3), and consequently binding on every collective body of citizens. We repudiate the doctrine that a public company has only to attend to the interest of its proprietors, regardless of the effect its measures may have on the public weal. This would be a violation of duty on the part of an individual, and still more so on the part of a public company. For they have received from the Legislature special privileges to enable them to carry on their operations. These privileges have been granted with a view to the promotion of the public interest. If, then, these privileges are employed to the injury of the public, then is there not merely a violation of the duty of citizenship, but a further violation of duty by the misapplication of privileges conferred by the Legislature.

"Unto whomsoever much is given, of him shall much be required; and to whom men have committed much, of him they will ask the more." Luke xii. 48.

In proportion as the Legislature has conferred privileges, in such proportion it may be expected that they who have received these privileges will be active in promoting the public interest. The possession of privileges implies an increased obligation to perform certain duties.

The first of these duties is to obey the laws. A public company should abstain from smuggling and all other illicit proceedings, should make correct returns to government, and pay its fair proportion of the property-tax and of all other duties.

"Render unto Cæsar the things which are Cæsar's. Render to all their dues; tribute, to whom tribute is due; custom, to whom custom; fear, to whom fear; honor, to whom honor." Rom. xiii. 7.

Another duty is to enforce the laws upon others. Individuals sometimes abstain from prosecuting frauds upon themselves, from a misapplied feeling of compassion, an unwillingness to incur odium, or the fear of expense; but none of these feelings are sufficient to justify a public company in abstaining from this duty. Such a course is injurious to the public, by holding out inducements to the commission of similar crimes.

"Because sentence against an evil work is not executed speedily, therefore the heart of the sons of men is fully set in them to do evil." Eccles. viii. 11.

It is also the duty of public companies to support the cause of order and of due submission to constituted authorities, the rights of property, the supremacy of the law, the impartial administration of public justice, and to honor the constitutional government of the country, by whatever party it may be administered.

"Put them in mind to be subject to principalities and powers, to obey magistrates, to be ready to every good work, to speak evil of no man, to be no brawlers, but gentle, showing all meekness unto all men." Tit. iii. 1, 2.

Another duty is to conduct the affairs of the company on such a liberal, yet prudent scale of expense, as shall afford encouragement to the industry, trade, and fine arts of the country. Solomon says, —

"Prepare thy work without, and make it fit for thyself in the field, and afterwards build thy house." Prov. xxiv. 27.

Which means, if we understand it rightly, "Get your money before you spend it; but having got it, live in a scale of expense corresponding to your means; afterwards build thy house." Individuals may be justified in living much within their means, in order to provide for old age, or for the proper settlement of their children; but public companies cannot have such motives for conducting their establishments with an unsuitable economy. But, above all, it is the duty of a public company to maintain, in all its transactions, a high-toned morality.

"Righteousness exalteth a nation." Prov. xiv. 34.

A departure from moral rectitude is altogether inexcusable in a public company. As all their actions are presumed to be the result of previous deliberations, they cannot plead in excuse, as individuals do, the power of passion, the impulse of the moment, or the force of habit. In proportion to the weakness or the absence of temptation, in such proportion would their conduct be the more criminal (Prov. vi. 30); while their wealth and influence would render their example more extensively injurious to the public morality. If parties of high station in society depart from the strict rule of duty, those of inferior station will deviate still more widely

"If a ruler hearken to lies, all his servants are wicked." Prov. xxix. 12.

## II. The duties of social relationship.

The social duties of public companies are the same as those of individuals who maintain the same relations. These duties are clearly stated in the Holy Scriptures. The Bible is a code of laws,—not a book of adjudged cases. It lays down the principles of human actions, but leaves the application of these principles to the dictates of reason and of conscience. We might read through the Bible, and not find a chapter headed "The Duties of Public Companies." In this case we endeavour to ascertain, in the first place, what are the duties of individuals. Then we take the principles of these duties and apply them to the acts of public companies. The principles of moral duty undergo no change; but the circumstances of human society are perpetually changing, and hence the correct application of these principles is sometimes a matter of difficulty. We shall here, in the first place, state in the language of Scripture the principles of some of our social relationships, and then make a practical application of them. There are, doubtless, other principles we have not mentioned, and those we have mentioned may be applied, and are applied, in practice, to many other cases besides those specified.

1. These are the things that ye shall do: "SPEAK YE EVERY MAN THE TRUTH to his neighbour, execute the judgment of peace and TRUTH in your gates, and let none of you imagine evil in your hearts against his neighbour, and *love no false oath*; for all these are things that I hate, saith the Lord." Zech. viii. 16, 17.

Insert no erroneous statements in your prospectus; make no incorrect calculations in order to deceive a parliamentary committee; circulate no unfounded rumors for the purpose of affecting the market value of your shares; and let your annual reports contain nothing but the truth.



"Thou shalt not raise a false report; put not thy hand with the wicked, to be an unrighteous witness." *Exod. xxiii. 1.*

"The getting of treasures by a lying tongue is a vanity tossed to and fro of them that seek death." *Prov. xxi. 6.*

2. YE SHALL NOT STEAL, neither DEAL FALSELY, neither lie one to another." *Lev. xix. 11.*

Be honest and upright in all your dealings, let your charges be fair and just, and be sincere and straightforward in all your pecuniary transactions.

"Thou shalt not have in thy bag divers weights, a great and a small. Thou shalt not have in thine house divers measures, a great and a small. But thou shalt have a perfect and just weight, a perfect and just measure shalt thou have; that thy days may be lengthened in the land which the Lord thy God giveth thee." *Deut. xxv. 13-15.*

"What man is he that desireth life, and loveth many days, that he may see good? Keep thy tongue from evil, and thy lips from speaking guile. Depart from evil and do good; seek peace, and pursue it." *Ps. xxxiv. 12-14; 1 Pet. iii. 10, 11.*

All promises or engagements must be faithfully kept, even when the performance is injurious to the interests of the company.

"That which is gone out of thy lips, thou shalt keep and perform." *Deut. xxiii. 23.*  
 "He sweareth to his own hurt and changeth not." *Ps. xv. 4.*

The Israelites were punished with three years of famine, because one of their kings attempted to violate a treaty into which they had been drawn by false representations. *Josh. iv. 25; 2 Sam. xxi. 1.*

3. "If iniquity be in thy hand, put it far away, and let not wickedness dwell in thy tabernacles." *Job. xi. 14.*

If any of the servants of a public company are found wanting in integrity, they should immediately be dismissed, and on no account be reinstated. And if any of their professional agents act dishonestly, even to benefit the company, they should not be employed again.

"He that walketh in a perfect way, he shall serve me. He that worketh deceit shall not dwell within my house; he that telleth lies shall not tarry in my sight." *Ps. ci. 6, 7.*

Banking companies should not take the accounts of disreputable parties; and a fraudulent bankrupt should not be allowed to re-open his account, even should he plead that, although he had cheated all his other creditors, he had not cheated his banker.

"Shouldst thou help the ungodly, and love them that hate the Lord, therefore is wrath upon thee from before the Lord." *2 Chron. xix. 2.*

"Depart from me, ye evil doers, for I will keep the commandments of my God." *Ps. cxix. 115.*

In making advances, banking companies should consider the moral character of the party with whom they deal, as an element of their security; and should more readily afford accommodation to parties having such a character than to those who are without it. "The wicked borroweth and payeth not again." *Ps. xxxvii. 21.*

Public companies should do nothing that would be considered dishonorable and disreputable in an individual member of the company. The

moral character of an action cannot be changed by the number of persons who may commit it.

"Though hand join in hand, the wicked shall not go unpunished." Prov. xi. 21.

"Fire shall consume the tabernacles of bribery." Job xv. 34.

"Abstain from every appearance of evil." 1 Thess. v. 22.

Public companies should not listen to plans and schemes proposed for their adoption by parties known to be deficient in moral principle; nor should they hire agents to do what they would not do themselves.

"Evil communications corrupt good manners. 1 Cor. xv. 33.—Lord, who shall abide in thy tabernacle? who shall dwell in thy holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart. He that backbiteth not with his tongue, nor doeth evil to his neighbour, nor taketh up a reproach against his neighbour. In whose eyes a vile person is contemned; but who honoreth them that fear the Lord." Ps. xv. 1-4.

#### 4. "SPEAK NOT EVIL ONE OF ANOTHER." James iv. 11.

Public companies should not speak unjustly or unkind of each other. "Love as brethren." 1 Pet. iii. 8. But this does not prohibit their speaking the truth of each other on proper occasions, even when the truth may be unpleasant or injurious to the party about whom it is spoken. It may sometimes become the duty of a respectable and honorable company to expose the fraudulent and deceitful practices of other companies: we are not forbidden to bear witness—but only *false* witness—against our neighbour. "By mercy and *truth* iniquity is purged." Prov. xvi. 6.

#### 5. "Fear thou the Lord and the King, and *meddle not with them that are given to change.*" Prov. xxiv. 21.

A public company should not meddle with politics: nor let the influence of the company be employed to produce any political change. It should not too frequently change the principles and maxims of its own government. Fixed rules and regulations are to a public company what habits are to an individual: they insure a uniformity of conduct, and are equally essential to success. A steady adherence to fixed principles is the surest road to prosperity. A restless discontent with moderate profits, and an attempt to get suddenly rich, by reckless speculation, has been the ruin of many companies as well as individuals. Prov. xxviii. 20-22. Nor should they change too often the terms on which they transact business with the public, as that occasions much inconvenience. Nor change too frequently the rate of their dividend, as that may lead to gambling in their shares. Better pay always the same rate of dividend, and let the surplus profit of one year be placed to a reserved fund to supply the deficiencies of future years.

"A double-minded man is unstable in all his ways." James i. 8.

"Unstable as water, thou shalt not excel." Gen. xlix. 4.

"Trust in the Lord with all thine heart, and lean not unto thine own understanding. Be not wise in thine own eyes. Fear the Lord, and depart from evil." Prov. iii. 5-7.

#### 6. "Thou shalt NOT AVENGE, nor bear any grudge against the children of thy people, but thou shalt *love thy neighbour as thyself.*" Lev. xix. 18.

HH

397

In cases of dispute or litigation, do not let your judgment be blinded by self-interest; but judge impartially, and do unto others as, in a similar case, you would wish to be done unto yourself. Use no means of hostility, or annoyance, or rivalry towards other companies which you would condemn as unjust or unfair were they used against yourself. Recommend to others no schemes, or speculations, or investments, in which you would not be willing to take any share yourself. Give no false testimonials of character, so as to induce others to employ parties whom you would not employ yourself. If you have received favors from other companies, or from individuals, do not let your thankfulness evaporate in mere votes of thanks, or acclamations of applause, but render to others the same tokens of gratitude which, under the same circumstances, you would expect to receive yourself. "All things whatsoever ye would that men should do unto you, do ye even so to them, for this is the law and the prophets." Matt. vii. 12.

7. "*If thine enemy be hungry, give him bread to eat; and if he be thirsty give him water to drink; for thou shalt heap coals of fire upon his head, and the Lord will reward thee.*" Prov. xxv. 21, 22.

If there be a run on a banking company, the rival banking companies should render assistance, and not suffer a solvent bank to stop payment for want of temporary support. All hostile companies should render assistance to each other on the occurrence of calamities, to which all are liable.

"Rejoice not when thine enemy falleth, and let not thine heart be glad when he stumbleth, lest the Lord see it, and it displease him, and he turn away his wrath from him." Prov. xxiv. 17, 18. It is quite right to contend against our enemies, and to rejoice when we are successful. "I will extol thee, O Lord, for thou hast lifted me up, and hast not made my foes to rejoice over me." Ps. xxx. 1.

But it is not right to rejoice when the wrath of Providence permits them to fall into calamity, or to stumble into acts of vice or folly. A railway company should not rejoice when accidents occur on a rival line; nor a banking company when a rival bank has made a large amount of bad debts; nor an insurance society when extensive fires or numerous deaths have absorbed the funds of a rival society; nor a mining association when accidents have damaged the mines belonging to a rival association.

"He that is glad at calamities shall not be unpunished." Prov. xvii. 5.

If your enemies treat you in a different manner, you should not imitate their example, but forgive them. "Recompense no man evil for evil." Rom. xii. 17.

"Let all bitterness, and wrath, and anger, and clamor, and evil speaking, be put away from you, with all malice; and be ye kind one to another, tender-hearted, forgiving one another, even as God for Christ's sake hath forgiven you." Eph. iv. 31, 32.

8. "*If any man will sue thee at the law, and take away thy coat, let him have thy cloak also.*" Matt. v. 40.

(1.) If he have an equal claim to the coat and the cloak, and the law decides that he is justly entitled to the coat, give him the cloak also, though he do not claim it. Do what is just, though the law may not require it, and never have recourse to a legal quibble in order to baffle a just demand.

"The thoughts of the righteous are right, but the counsels of the wicked are deceit." Prov. xii. 5.

(2.) Do not go to law without mature deliberation.

"Go not forth hastily to strive, lest thou know not what to do in the end thereof, when thy neighbour hath put thee to shame." Prov. xxv. 8.

(3.) Nor yet about matters of trifling importance which are no practical injury.

"Strive not with a man without cause, if he have done thee no harm." Prov. iii. 30.

(4.) Nor yet from vindictive motives.

"Say not thou, I will recompense evil, but wait on the Lord, and he shall save thee." Prov. xx. 22.

(5.) Never go to law about matters in which you have no direct interest.

"He that passeth by, and meddleth with strife belonging not to him, is like one that taketh a dog by the ears." Prov. xxvi. 17.

(6.) Do not go to law with a man merely because he is poor, and therefore unable to contend against your large capital; nor trespass on any man's rights because he cannot afford the expense of obtaining legal redress.

"Rob not the poor because he is poor, neither oppress the afflicted in the gate, for the Lord will plead their cause, and spoil the soul of those that spoiled them." Prov. xxii. 22, 23.

(7.) It will be wise and honorable to bring the suit to a close as soon as you can.

"It is an honor for a man to cease from strife, but every fool will be meddling." Prov. xx. 8.

(8.) If you reject a just and honorable compromise, you may lose the action, and you will then not only have to pay the expense of the suit, but you will have put yourself in a disreputable position.

"Agree with thine adversary quickly, while thou art in the way with him, lest at any time the adversary deliver thee to the judge, and the judge deliver thee to the officer, and thou be cast into prison. Thou shalt by no means come out thence till thou hast paid the uttermost farthing." Matt. vi. 25, 26.

(9.) Do not indulge a fondness for litigation.

"He loveth transgression that loveth strife, and he that exalteth his gate seeketh destruction." Prov. xvii. 19.

(10.) If you have to sue any party criminally, enforce the law with kindness and forbearance.

"Execute true judgment, and show mercy and compassion, every one to his brother." Zech. vii. 9.

It is quite possible to execute judgment and show mercy at the same time.

(11.) If called upon to arbitrate between contending parties, act justly and impartially.

"Thou shalt not respect the person of the poor, nor honor the person of the mighty; but in righteousness shalt thou judge thy neighbour." Lev. xix. 15. "Thou shalt not

wrest judgment: thou shalt not respect persons: neither take a gift; for a gift doth blind the eyes of the wise, and pervert the words of the righteous." Deut. xvi. 19.

(12.) Public companies should employ none but honorable men to plead any cause in which they may be engaged. Advocates who are noted for legal quibbling, attacking private character, or browbeating witnesses, should not be engaged; and, more especially, the *standing counsel* of a public company should be a man of high moral and religious principle.

"What hast thou to do to declare my statutes? Thou givest thy mouth to evil, and thy tongue frameth deceit. Ps. l. 16-19.—They speak vanity every one with his neighbour: with flattering lips and with a double heart do they speak. The Lord shall cut off all flattering lips, and the tongue that speaketh proud things: who have said, With our tongue will we prevail; our lips are our own: who is Lord over us? Ps. xii. 2-4.—There is that speaketh like the piercings of a sword: but the tongue of the wise is health. The lip of truth shall be established for ever: but a lying tongue is but for a moment. Deceit is in the heart of them that imagine evil: but to the counsellors of peace is joy." Prov. xii. 18-20.

9. "Be ye *all of one mind*, having compassion one of another; *love as brethren*; be *pitiful*, be *courteous*." 1 Pet. iii. 8.

*Be of one mind.*—Public companies should entertain a good feeling towards each other, and endeavour to promote each other's interest. On proper occasions, they ought to unite their influence for the protection of their mutual rights.

*Be courteous.*—All the servants of the company who come into communication with the public should be instructed to behave with the utmost courtesy; and if they do so, they are entitled to courtesy in return. No shareholder should address a servant of the company as if he were his own individual servant; nor should he, in his transactions with the company, expect any undue attention or preference on account of his being a shareholder. When a company has occasion, in its annual report or public documents, to refer to the proceedings of other companies, it should always be done in the language of courtesy.

*Be pitiful (full of pity).*—In some cases, life policies become forfeited through the inability of the parties to pay the premiums, and sometimes by the party meeting his death in a way that deprives his relations of all claim on the company. In cases like these, insurance companies should take all the circumstances into consideration, and *be pitiful*. When an honest tradesman fails, and his creditors agree to take a composition, the banking company should not refuse to accept the terms proposed, but should *be pitiful*. When the servant of a company has inadvertently committed an error, not involving any moral delinquency, let him not be too hastily dismissed, and thus placed for life in a lower condition, but *be pitiful*. When servants of the company, from sickness or old age, have become less effective than formerly, let arrangements be made for rendering their duties proportionate to their diminished strength. Recollect they were once young and healthy, and you had then the benefit of their services,—do not treat them harshly now. *Be pitiful*.

10. "Use *hospitality one to another*, without grudging." 1 Pet. iv. 9.

It is proper that public companies, on particular occasions, such, for example, as the opening of a new line by a railway company, should entertain their friends and others connected with the company. Also, that the companies should use hospitality "one towards another." Social intercourse tends to promote friendly feelings; and a friendly feeling between the principal officers and members of different companies tends to promote a friendly feeling between the companies themselves. It is also a good practice to give an annual dinner to all the servants of the company. The words "without grudging" may suggest that when the company can afford it, these entertainments should be given in a rather handsome style, without a too strict regard to economy. On these festive occasions, the humbler servants and others connected with the company should not be forgotten.

"When thou makest a feast, call the poor, the maimed, the lame, the blind. And thou shalt be blessed: for they cannot recompense thee; for thou shalt be recompensed at the resurrection of the just." *Luke xiv. 13, 14.*

11. "Thou shalt not oppress a stranger, for ye know the heart of a stranger, seeing ye were strangers in the land of Egypt." *Exod. xxiii. 9.*

The principle of this suggestion is, that we ought to have compassion for all those who are in the same difficulties in which we formerly were ourselves. Those whom Providence has raised to a higher station than they or their fathers occupied, should entertain kindly feelings towards those who belong to the class from whence they have sprung. The same rule applies to public companies. Those which have overcome the difficulties of their formation, and become prosperous, should not employ any vexatious or oppressive means of preventing the growth of similar companies. Knowing the anxieties they experienced from the difficulties they had to encounter, they should not inflict similar anxieties upon others. Moses often enforces the duty of kindness towards servants and strangers, by reminding the Israelites that they had been strangers and bondsmen in the land of Egypt. In questions of morals, it is generally a safe guide to a correct judgment, to put ourselves in the position of others, and to inquire what then would be our own feelings, and what kind of conduct we should wish, under such circumstances, to be adopted towards ourselves. In the decision of such cases, it usually appears that the cultivation of the moral feelings has improved the intellectual faculties. A sound heart is less likely to go astray than a clever head.

"The entrance of thy words giveth light: it giveth understanding unto the simple." *Ps. cxix. 130.*

12. "Masters, give unto your servants that which is just and equal, knowing that ye also have a Master in heaven." *Col. iv. 1.*

*Be just in your appointments*, and select those who are the most worthy and the best qualified for the duties they will have to discharge. *Be just in the amount of your remuneration*; recollect that many of the servants of public companies have greater trusts and heavier responsibilities than the servants of individuals; and in this case, it is just and equal that they be rewarded accordingly. *Be just in your promotions*, and let not merit be supplanted by patronage or favoritism. *Be just in the*

*quantity of labor you exact.* Appoint a sufficient number of servants to do the work easily. Do not compel them to keep late hours; nor refuse reasonable holidays, for the purposes of health and recreation. *Be just in your pensions*, and let your aged and worn-out servants be treated with respect and liberality. *Be just in your reproofs.* "Forbearing threatening." Eph. vi. 9. Let not your censures nor your punishments be more than proportionate to the offence; and be as ready at all times to acknowledge the merits of your servants as to notice their defects.

All complaints, and all applications for increased remuneration or privileges, from the servants of public companies, should receive mature consideration; and all refusals should be given with kindness and courtesy. Job, when reduced to distress, consoled himself with the reflection, that in his former prosperity, when he was the greatest of all the men of the East, (Job xxxi. 13,) he had not despised the cause of his man-servant or his maid-servant when they contended with him. Moses enacted, "Thou shalt not muzzle the ox when he treadeth out the corn" (Deut. xxv. 4); and St. Paul has twice quoted this enactment (1 Cor. ix. 9; 1 Tim. v. 18); to inculcate the lesson that we ought not to stint the remuneration, nor even the enjoyments, of those by whose labor we profit. There is something touching in the following text:—"A certain centurion's servant, *who was dear unto him*, was sick, and ready to die." Luke vii. 2. And the Psalmist has given us a lovely exhibition of the Divine character in the words, "He hath pleasure in the prosperity of his servants." Psalm xxxv. 27.

13. "Exhort *servants to be obedient unto their own masters*, and to please them well in all things, not answering again, not purloining, but *showing all good fidelity*, that they may adorn the doctrine of God our Saviour in all things." Titus ii. 9, 10.

Public companies have a right to expect that their servants should not only be obedient during the official hours of business, but that at all times their conduct should be such as will be reputable to the company, attempting to "please them well in all things," "not answering again," not objecting to obey any lawful commands, "not purloining, but showing all good fidelity," not misapplying the property with which they are intrusted, not suffering the company to be defrauded or damaged by other parties. "That they may adorn the doctrine of God our Saviour in all things," the servants of a public company are exposed to observation and criticism, and its honorable reputation in the world will be affected by the estimate that may be formed of their moral and religious character.

Christian principle is of more importance than brilliant talents, and is more highly respected, even by the ungodly. The personal character of its servants is sometimes of greater value to a company than their personal services, and can less easily be replaced. They adorn the *doctrine* of Christianity when, from Christian motives, they *practise* those virtues which are suitable to their several stations. It gives us a pleasing idea of social life among the Hebrews, when we find that not only did the children address the Supreme Being as the God of their fathers, but the servants addressed Him as the God of their masters. "O Lord God of my master Abraham," said Eliezer of Damascus, "I pray Thee send me good

speed this day, and show kindness unto my master Abraham." Gen. xxiv. 12. It is one of the duties of the servants of public companies to pray for the prosperity of the company whom they serve.

14. "Pure religion, and undefiled before God and the Father, is this, to visit the fatherless and widows in their affliction, and to keep himself unspotted from the world." James i. 27.

Establish a fund for the relief of the widows and children of the servants of the company. Such a fund is established by the East India Company and by the Bank of England, and why not by all large companies? Mining and railway companies should relieve the widows and children of those who meet with accidents in their respective works. The word VISIT implies that this relief should be generous and kind; and the words IN their affliction may suggest that it ought to be prompt and immediate, not postponed till after their affliction.

15. "As we have opportunity, let us do good unto all men, especially unto them who are of the household of faith." Gal. v. 10.

Let all your arrangements be adapted to promote the public good, and more especially to benefit the moral and religious portion of the community.

"He that diligently seeketh good, procureth favor; but he that seeketh mischief, it shall come unto him." Prov. xi. 27.

Among the minor immoralities of the present age we are disposed to place the practice of smoking cigars, to the extent to which it is now carried. We refer to smoking in the streets, on board of steamboats, and in places of public resort, where the smoker can obtain his enjoyment only by annoying others, and thus violating the injunction, "Thou shalt love thy neighbour as thyself." The public are much indebted to the railway companies for prohibiting this practice in their carriages and establishments, and it is desirable that the steamboat companies should adopt similar regulations.

III. Having considered the duties of patriotism, and the duties of social relationship, we now come to the duties of religion.

By the duties of religion we mean the duties we owe directly to God. Those which are most applicable to public companies are, to acknowledge the hand of God, to promote his worship, and to reverence his Sabbaths.

To acknowledge the power and goodness of God, and our dependence on Him for all the blessings we possess, is not less the duty of a public company than it is of an individual. Moses cautions the Israelites against forgetfulness of God in the time of their prosperity:—

"Beware that thou forget not the Lord thy God, in not keeping his commandments, and his judgments, and his statutes, which I command thee this day: lest when thou hast eaten and art full, and hast built goodly houses and dwelt therein; and when thy herds and thy flocks multiply, and thy silver and thy gold is multiplied, and all that thou hast is multiplied; then thine heart be lifted up, and thou sayest in thine heart, My power and the might of mine hand hath gotten me this wealth. But thou shalt remember the Lord thy God: for it is he who gave thee power to get wealth." Deut. viii. 11-18.



A neglect to acknowledge the hand of God is denounced as a heinous offence. The chief national crime charged against ancient Tyre by the prophet Ezekiel was, —

"By thy great wisdom and thy traffic thou hast increased thy riches, and thy heart is lifted up because of thy riches." Ezek. xxviii. 5.

"If ye will not hear, and if ye will not lay it to heart, to give glory unto my name, saith the Lord of Hosts, I will even send a curse upon you, and I will curse your blessings." Mal. ii. 2.

They who honor inferior agents, but forget the Cause of all their prosperity, are compared to the heathen fishermen who "sacrifice unto their net, and burn incense unto their drag, because by them their portion is fat, and their meat plenteous." Hab. i. 16.

In ancient Rome the merchants and bankers had a public procession every year to the temple of Mercury, — who, by a strange association, was regarded as the god of merchants and of bankers, of thieves and of eloquence, — to offer sacrifices for the blessings they had received; and, as the satirists said, to ask forgiveness for all the frauds and tricks they had practised in their trade during the past year.

In the Middle Ages, the public companies then formed took mottoes, many of which were expressive of religious feelings. Thus, if we cast our eyes on our Royal Exchange, we shall see that the City motto is "Domine dirige Nos"; and that of the Mercers' Company is "Honor Deo." This would not be consistent with the manners of the present age, though we believe our public companies are as much disposed to implore Divine direction, and to render to God the honor of their success, as were any of the associations of former days. The way to obtain this direction, and to have occasion for rendering this honor, is to acknowledge the superintendence and kindness of God.

"In all thy ways acknowledge him, and he shall direct thy paths." Prov. iii. 6.

"Call upon me in the day of trouble; I will deliver thee, and thou shalt glorify me." Ps. l. 15.

We are not friendly to the introduction of religious matters, either by individuals or public bodies, into secular intercourse. We have no wish that our business meetings should commence with prayer, and conclude with the doxology. But surely there must be some way in which a public company may, consistently with our national character and the manners of the age, express its reliance on Divine Providence, and its gratitude for the favors that Providence has conferred. Is there no way in which a public company may virtually utter the sentiments so beautifully expressed by David: —

"David blessed the Lord before all the congregation: and said, Blessed be thou, Lord God of Israel, our Father, for ever and ever. Thine, O Lord, is the greatness, and the power, and the glory, and the victory, and the majesty; for all that is in the heaven and the earth is thine: thine is the kingdom, O Lord, and thou art exalted as head above all. Both riches and honor come of thee, and thou reignest over all; and in thine hand is power and might; and in thine hand it is to make great, and to give strength unto all. Now, therefore, our God, we thank thee, and praise thy glorious name. But who am I, and what is my people, that we should be able to offer so willingly after this sort; for all things come of thee, and of thine own have we given thee." 1 Chron. xxix. 10-14.

Another religious duty is, to support the public worship of God. Human legislation can enforce a small portion only of the moral and religious duties of mankind, and can never interfere until vice has grown into crime. Some writers on moral philosophy have divided the social rights of man into perfect and imperfect. The perfect rights can be enforced by human laws. The enactments referring to these rights are generally expressed in a negative form: "Thou shalt *not* kill"; "Thou shalt *not* steal." The imperfect rights cannot be enforced perfectly by human laws. These enactments are generally positive: "Honor thy father and thy mother"; "Thou shalt love thy neighbor as thyself." The fourth commandment has one of each kind: "Thou shalt do no manner of work"; "Remember the Sabbath day to keep it holy." Religion extends her sway, not only over all the actions of man, but over the motives and springs of action (Exod. xx. 17; Matt. xv. 19). Religious and moral principles implanted in the mind of the community are the only security for the performance of religious and moral duties, and the only means of acquiring the happiness which the performance of these duties tends to produce.

**POSITION OF ST. LOUIS.** — The Hon. Edward Bates, in his oration on the inauguration of the Pacific Railroad, referred to the superior natural and commercial advantages of St. Louis in the following truthful and eloquent strains: —

"Here we are, in the centre of the great valley, the natural centre of the largest body of rich, habitable land on the face of the earth. A land large enough to maintain in comfort two hundred millions of people, every one of whom could bring the produce of his labor to this centre, by natural navigation. Just below the confluence of three mighty rivers, — Missouri, Mississippi, and Illinois; and just above the influx of the beautiful Ohio, whose fertile banks are already teeming with industry, enterprise, and wealth. Look at a map of the valley; its broad surface is divided into quarters by the figure of a cross, — a little irregular, to be sure, but still a cross. The Mississippi is the shaft, and the Ohio and Missouri are the limbs. And the shaft and the limbs are bristling with tributaries, each one of which is large enough to be considered in Europe a mighty river, fit to be improved and cherished as the artery of a nation's commerce.

"Look at the map, and note the distances and the commanding points. The drift-wood that floats past our city plunges in the turbid waters of the Mississippi for twelve hundred miles before it is washed by the bright waves of the ocean. The water line of commerce from Pittsburg to St. Louis is twelve hundred miles. Your steamers go up the Missouri, without a snag being pulled out or a sand-bar removed, beyond our Western border, two thousand five hundred miles. Ascending the Mississippi, they push their bows into the very foam of St. Anthony's Falls; and above those falls, I know not how many hundred miles of placid water invite the venturesome boatman to the far North. Go up the Illinois, — you can find no stopping-place there, for the Father of Waters is wedded to the lakes. In Illinois and New York, the duty imposed by the great gifts bestowed upon us is partly done; and now, by the aid of their canals, you can leave the ocean in a boat, and, entering the Mississippi or the Hudson, circumnavigate the nation.

"We occupy the most important point on this great circuit. If there were not a cabin or a white man from the Ohio to the Missouri, if our forests were still in pristine solitude and our prairies untracked, save by the hoof of the buffalo or the moccasin of the Indian savage, I should still believe, — considering the extent and richness of the valley, the number, length, and direction of its rivers, and its capacity to produce in boundless plenty all that can minister to the comfort, wealth, and power of man, — I should still confidently believe that the greatest city upon the continent must be established within that span's length upon the map."

VOL. I.

27

## V.—SILVER FROM LAKE SUPERIOR.

SCARCELY any discovery of late date has better deserved the attention of men of science, than that of silver occurring in the copper mines of Lake Superior. Hitherto it has been produced in but small quantity; possibly the finding of a rich *pocket* may yet command the respect of business-men. The silver is in the native or metallic state, and appears in grains or lumps, firmly attached, or as it were *welded*, to the copper; and yet the two metals are not at all intermingled or alloyed. Deducting a small proportion of mere earthy matter, the silver is pure, not even containing gold; and the copper is pure also. We are not aware that silver has ever been found, elsewhere, in this most curious position.

Three deposits of this silver have already been made at the mint. One had been previously melted and cast into bars, and consequently its character was gone, though not its value. The second was a large wide-spreading *cake*, smoothed somewhat by the action of water; it was found by assay to contain ninety-five per cent. unalloyed silver, and five per cent. earthy matter. The value of it was \$ 119. This has been retained in the collection of the mint, and forms one of its greatest curiosities. The third deposit, brought very recently, and emanating from the Pittsburg Company, consisted of grains or lumps, varying in weight from one grain to four pennyweights (say a quarter of a cent to a quarter of a dollar); they had been detached from the copper, and so effectually that very little of that metal remained. The amount of dirt removed by melting was about two per cent.; the remainder showed a fineness of 962 thousandths. The whole weight was about 238 ounces; and the value, \$ 290.

## VI.—TABLE OF CORRESPONDENCE BETWEEN PENNYWEIGHTS AND GRAINS, AND THE DECIMAL FRACTIONS OF A TROY OUNCE.

GOLD and silver bullion, and coins in quantity, are weighed at the United States Mint and its branches by ounces and hundredths, rejecting the usual division into pennyweights and grains. It were much to be wished that this easy decimal system were brought into general use. Probably that wish will ere long be realized; but in the mean time, it is desirable for dealers and depositors to have ready means of knowing the equivalents in the two methods of weighing. The ensuing table is carried to four decimals of the ounce, instead of two, as in our former publication. The first two places show the hundredths, which the depositor requires; the two additional places go to the ten-thousandths, which are very convenient in the calculation of the value of a single coin, and for other purposes. The twentieth of a grain is thereby reached.

Table of Correspondence between Pennyweights and Grains, and the Decimal Fractions of a Troy Ounce.

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
0	.0000	.0021	.0042	.0063	.0083	.0104	.0125	.0146	.0167	.0188	.0208	.0229	.0250	.0271	.0292	.0313	.0333	.0354	.0375	.0396	.0417	.0438	.0458	.0479
1	.0600	.0621	.0642	.0663	.0683	.0704	.0725	.0746	.0767	.0788	.0808	.0829	.0850	.0871	.0892	.0913	.0933	.0954	.0975	.0996	.1017	.1038	.1058	.1079
2	.1000	.1021	.1042	.1063	.1083	.1104	.1125	.1146	.1167	.1188	.1208	.1229	.1250	.1271	.1292	.1313	.1333	.1354	.1375	.1396	.1417	.1438	.1458	.1479
3	.1500	.1521	.1542	.1563	.1583	.1604	.1625	.1646	.1667	.1688	.1708	.1729	.1750	.1771	.1792	.1813	.1833	.1854	.1875	.1896	.1917	.1938	.1958	.1979
4	.2000	.2021	.2042	.2063	.2083	.2104	.2125	.2146	.2167	.2188	.2208	.2229	.2250	.2271	.2292	.2313	.2333	.2354	.2375	.2396	.2417	.2438	.2458	.2479
5	.2500	.2521	.2542	.2563	.2583	.2604	.2625	.2646	.2667	.2688	.2708	.2729	.2750	.2771	.2792	.2813	.2833	.2854	.2875	.2896	.2917	.2938	.2958	.2979
6	.3000	.3021	.3042	.3063	.3083	.3104	.3125	.3146	.3167	.3188	.3208	.3229	.3250	.3271	.3292	.3313	.3333	.3354	.3375	.3396	.3417	.3438	.3458	.3479
7	.3500	.3521	.3542	.3563	.3583	.3604	.3625	.3646	.3667	.3688	.3708	.3729	.3750	.3771	.3792	.3813	.3833	.3854	.3875	.3896	.3917	.3938	.3958	.3979
8	.4000	.4021	.4042	.4063	.4083	.4104	.4125	.4146	.4167	.4188	.4208	.4229	.4250	.4271	.4292	.4313	.4333	.4354	.4375	.4396	.4417	.4438	.4458	.4479
9	.4500	.4521	.4542	.4563	.4583	.4604	.4625	.4646	.4667	.4688	.4708	.4729	.4750	.4771	.4792	.4813	.4833	.4854	.4875	.4896	.4917	.4938	.4958	.4979
10	.5000	.5021	.5042	.5063	.5083	.5104	.5125	.5146	.5167	.5188	.5208	.5229	.5250	.5271	.5292	.5313	.5333	.5354	.5375	.5396	.5417	.5438	.5458	.5479
11	.5500	.5521	.5542	.5563	.5583	.5604	.5625	.5646	.5667	.5688	.5708	.5729	.5750	.5771	.5792	.5813	.5833	.5854	.5875	.5896	.5917	.5938	.5958	.5979
12	.6000	.6021	.6042	.6063	.6083	.6104	.6125	.6146	.6167	.6188	.6208	.6229	.6250	.6271	.6292	.6313	.6333	.6354	.6375	.6396	.6417	.6438	.6458	.6479
13	.6500	.6521	.6542	.6563	.6583	.6604	.6625	.6646	.6667	.6688	.6708	.6729	.6750	.6771	.6792	.6813	.6833	.6854	.6875	.6896	.6917	.6938	.6958	.6979
14	.7000	.7021	.7042	.7063	.7083	.7104	.7125	.7146	.7167	.7188	.7208	.7229	.7250	.7271	.7292	.7313	.7333	.7354	.7375	.7396	.7417	.7438	.7458	.7479
15	.7500	.7521	.7542	.7563	.7583	.7604	.7625	.7646	.7667	.7688	.7708	.7729	.7750	.7771	.7792	.7813	.7833	.7854	.7875	.7896	.7917	.7938	.7958	.7979
16	.8000	.8021	.8042	.8063	.8083	.8104	.8125	.8146	.8167	.8188	.8208	.8229	.8250	.8271	.8292	.8313	.8333	.8354	.8375	.8396	.8417	.8438	.8458	.8479
17	.8500	.8521	.8542	.8563	.8583	.8604	.8625	.8646	.8667	.8688	.8708	.8729	.8750	.8771	.8792	.8813	.8833	.8854	.8875	.8896	.8917	.8938	.8958	.8979
18	.9000	.9021	.9042	.9063	.9083	.9104	.9125	.9146	.9167	.9188	.9208	.9229	.9250	.9271	.9292	.9313	.9333	.9354	.9375	.9396	.9417	.9438	.9458	.9479
19	.9500	.9521	.9542	.9563	.9583	.9604	.9625	.9646	.9667	.9688	.9708	.9729	.9750	.9771	.9792	.9813	.9833	.9854	.9875	.9896	.9917	.9938	.9958	.9979

# VII.—COMPARISON OF AMERICAN AND FOREIGN WEIGHTS USED FOR PRECIOUS METALS.

THE normal weight of this mint is the troy ounce, for considerable quantities ; and the troy grain, for single coins.

This ounce is equal to 480 grains ; to 31.09815 French grammes ; to 1.08108 Spanish ounces.

The grain is 64.788 milligrammes.

Our standard French kilogramme weighs 15,435 grains, or 32.15625 ounces.

The gramme is 15.435 grains.

The milligramme, .0154 gr.

The average estimate of the Spanish mark is 3,552 troy grains, or 7.40 ounces troy. It is differently subdivided, according as it is applied to the weighing of gold or silver. For gold, it is divided into 50 castellanos ; each castellano into 8 tomines ; each tomime into 12 granos. For silver, the mark is divided into 8 ounces ; each ounce into 8 ochavos ; each ochavo into 6 tomines ; each tomime into 12 granos. Consequently, in gold weighings there are 4,800 grains, and in silver 4,608 grains, to the mark.

The castellano is much used, however, as a normal weight for gold bullion. By deduction from the above, it should weigh 71.04 troy grains ; by an invoice from New Granada, we have found it to correspond with 70.935 ; so that 71 grains might be taken as the equivalent, accurate enough in practice. This is just one grain less than three pennyweights ; or .1479 of a troy ounce.

This mark, being employed not only in Spain, but in all Spanish America, is of course a very important weight to the bullion and coin dealer, and should be duly understood. It is perhaps not more difficult to master than the pounds troy and avoirdupois, with their respective trains.

The Cologne mark, normal money-weight of Germany, by the German Convention of 1838, was estimated at 233.855 grammes, answering to 3609.55 grains troy. It was before rated usually at 3609.

Our silver dollar, since 1837, weighs 26.725 grammes.

A kilogramme of standard ( $\frac{1}{10}$ ) gold is worth \$ 598.25,5.

# VIII.—BULK AND PACKING OF PRECIOUS METALS.

A SOLID or cubic inch of fine gold weighs 10.1509 ounces, and is worth \$ 209.84.

A cubic foot of the same, \$ 362,600.

A cubic inch of standard gold weighs 9.0989 ounces, and is worth \$ 169.28.

A cubic foot of the same, \$ 292,500.

A cubic inch of fine silver weighs 5.5225 ounces, and is worth \$ 7.14.

A cubic foot of the same, \$ 12,338.

A cubic inch of standard silver weighs 5.4173 ounces, and is worth \$6.30,3.

A cubic foot of the same, \$10,891.\*

Gold is not measured by the *pint*, at least out of California; yet it may be interesting to know, that a dry-measure pint of California grains is found to weigh from 141 to 143½ ounces; value about \$2,560. The average specific gravity is consequently 9.61; so that it occupies about twice as much bulk, in that form, as when melted and cast into bars. A pint of African dust was found to weigh 148 ounces.

The advantage of having gold grains or dust cast into bars, as a preparative for exportation, is perhaps overrated. True, it has rather an insufficient outfit, if packed in paper, leather, muslin, Seidlitz-boxes, or porter-bottles, as it came at first from San Francisco. A good tin box, well soldered, will hold fast and keep dry; and the mint charges nothing for melting. This is the most general kind of packing now used; but the tin case, if large, requires to be inclosed in a wooden box, and after that there is need of a vigilant watch and care. A most daring theft was lately committed, somewhere on the route, by boring through box and case; and about \$9,000 worth was abstracted.

A keg 13½ inches high, including the chine, and with a diameter of 10 inches at the head and 11½ at the bilge (outside measures), is a convenient size for \$2,000 in silver coin, or \$50,000 in gold coin.

A keg whose measurements are 19, 11, 13, as above, is a proper size for \$5,000 in silver coin.

A rectangular box, measuring inside 10 by 8 inches by 5 in depth, is the size used at the mint for \$1,000 in silver coin. This allows the coin to be thrown in promiscuously; if piled, at least one third more can be put in. Such a box would hold \$36,000 in gold coin, laid in order; or \$27,000 in disorder.

A bag 6 inches by 9 holds \$5,000 in gold coin, with room to tie.

A bag 14 by 18 is a good size for \$1,000 in silver coin.

One thousand pieces of our three-cent coin (\$30 worth) make a smaller budget than many of our customers seem to anticipate. A bag 3½ inches by 5 easily contains them.

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\* The above calculations are based upon the weight of water as 252.458 grains to the cubic inch, the thermometer being at 60° and the barometer 30 inches. (Silliman's First Princ. Chem., 1848.) The specific gravity of fine gold is taken at 19.3, standard at 17.3; fine silver 10.5, standard 10.3. As these gravities are only approximate, we may be excused for not carrying out the decimals very far, as is rather too often done in works of science.

IX.—DETERMINATION OF THE VALUE OF A SPECIMEN OF GOLD OR SILVER IN ITS NATIVE ROCK, OR GANGUE.

THAT which is as old as Archimedes may yet be new to some ; that a specimen of gold or silver, as it comes from its natural bed, intermingled with stone, and often more prized for its beauty, or as a keepsake, than the metal would be in a more condensed and marketable shape, can be accurately enough valued without being broken up or spoiled. The specific gravity of the lump being determined, and that of the metal and the matrix being known, the problem is solved by a direct calculation. The formula is inserted here, as being a suitable and convenient place for it.

Let  $a$  represent the specific gravity of the metal.

"  $b$  " " " of the stone.

"  $c$  " " " of the lump.

"  $w$  " the weight of the lump.

"  $x$  " of the gold.

"  $y$  " of the stone.

$$\text{Then, } x = \frac{a(c-b)}{c(a-b)} w;$$

$$\text{and } y = \frac{b(a-c)}{c(a-b)} w.$$

Or, to put the rule in arithmetical form :—

1. From the specific gravity of the lump deduct the specific gravity of the quartz (say 2.63), or whatever the matrix may be.
2. Multiply the remainder by the specific gravity of the *metal*.
3. Multiply the weight of the lump by the last product, which will make a second product which we will call  $P$ .
4. From the specific gravity of the metal deduct the specific gravity of the matrix.
5. Multiply the difference by the specific gravity of the lump.
6. Take this product for a divisor, to divide the above product  $P$  ; the quotient will be the weight of metal in the lump.

The only source of error is in the variableness of the specific gravity of the stony part. In the case of silver in limestone, 2.60 has been proved by our experiments to be a good basis for the matrix ; in respect to gold in quartz, much depends upon whether the latter is white, or tinged with iron ; compact, or loose and cellular. We have found 2.63 a good medium for all cases except that of hard white rock, where it is more accurate to take 2.65. The problem has been often and satisfactorily proved here by meltings ; of course, not to all the nicety that analysis or arithmetic can be carried.

Where the specimen is bulky, and the stony matter predominates, a convenient way of getting the specific gravity is that given in Patterson's Arithmetic, essentially as follows :—

Provide a suitable water-tight vessel, say a pitcher or jar, that will

rather more than hold the specimen, and not over-large at the opening. Fill the vessel with water, to a mark. Then pour, or draw off with a syphon, into another smaller vessel, so much of the water as will allow you freely to insert the specimen. After this, fill up to the mark again, from the water drawn off. The remainder of drawn water is exactly equal in bulk to the specimen; the weight of that water, therefore, gives the divisor; the weight of the specimen (dry), the dividend; the quotient is its specific gravity.

The value of this mode, when conducted with due care, has been satisfactorily tested here by the returns from the crucible.

#### X. — TRANSACTION OF BUSINESS AT THE MINT.

THE oversight of the Mint, and to a certain extent of the Branch Mints also, is by law committed to one principal officer, named the Director, who is under the general control of the Secretary of the Treasury.

The operations of the Mint are divided into five departments; — 1. Receipt and disbursement. 2. Assaying the precious metals, including the primary melting for assay. 3. Melting and refining for coinage. 4. Coining, through all its stages. 5. Die-engraving. The first principally concerns those who have pecuniary transactions with the Mint; and its chief is styled the Treasurer.

The four offices nearest to the front door are those assigned to the Treasurer.

In the office to the left, entering, applications are to be made for the payment of bills for materials furnished, or whatever belongs to expenditure of the establishment; also for the payment of bullion deposits, and for memorandums thereof; also for the distribution of copper coins; and, generally, for information about all those matters. Persons bringing bullion should also enter at this office, where they will be directed to the counter of the next, which is the weighing-room.

In this second office the weigher receives the bullion; weighs it in presence of the depositor, records the transaction, and gives a receipt in the following form: —

No. 5,000.

MINT OF THE UNITED STATES,  
Philadelphia, June 1, 1851.

*Received from G. Bain, a Deposit of Gold Bullion, for Coinage, weighing twelve hundred and forty-one  $\frac{82}{100}$  Ounces, the net Value thereof to be ascertained, and paid to said Depositor, or Order, in Gold Coins of the United States, agreeably to Law.*

Oz. 1,241  $\frac{82}{100}$ .

*J. E. N., for the Treasurer.*

The deposit is then melted under the supervision of the assayer, reweighed, and assayed, without delay. By these operations, and by a subsequent double calculation based upon them, the exact mint value of



the parcel is determined, to the satisfaction of the director, who thereupon issues a warrant to the treasurer for payment thereof, in coin.

Bullion or foreign coin brought to the mint in a state fit for casting into ingots for coining, is subject to no charge. In other cases, there is a deduction made from the value, according to the following tariff of charges:—

I. For Refining, when the Bullion is below standard.

1. *On Gold*.—Three cents per ounce of gross weight after melting, on so much of a deposit as will bring the whole up to standard.

2. *On Silver*.—From 500 to 700 fine, 3 cents per oz. as above.

"	701 to 800	"	2½	"	"	"
"	801 to 899	"	2	"	"	"

On so much as will bring the whole up to standard.

II. For Toughening, when metals are contained in it which render it unfit for Coinage.

1. *On Gold*.—From one to three and a half cents per ounce of gross weight after melting, according to the condition of the metal.

2. *On Silver*.—If not Coppery, one third to one cent per ounce, as above.

If Coppery, 500 to 700 fine, 3 cents per oz. as above.

"	701 to 800	"	2½	"	"	"
"	801 to 925	"	2	"	"	"

III. For Copper, used for Alloy, two cents per ounce.

IV. For Silver, introduced into the Alloy of Gold, one hundred and twenty-nine cents per ounce.

V. For Separating the Gold and Silver, when these metals exist together in the bullion.

1. If not Coppery:

Proportion of Gold	1 to 200 thous.	1½	cents per oz. gross, after melting.
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"	"	201 to 600	"	2	"	"	"	"
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"	"	601 to 700	"	3	"	"	"	"
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"	"	701 to 800	"	4	"	"	"	"
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"	"	801 to 935	"	5	"	"	"	"
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2. If Coppery:

Proportion of Silver 500 to 700 fine, the Gold in any proportion not less than 1½ thousandths, . . . . . 3 cents per oz. gross, after melting.

Proportion of Silver 701 to 800 fine, 2½ " " " "

"	"	801 to 925	"	2	"	"	"	"
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Neither gold nor silver is separated for the benefit of the depositor, when the net product of the operation, estimated upon the above charges, shall be less than five dollars.

After a delay of three to eight days (according to the pressure of business), the depositor or his indorsee returns to the mint for payment; receives the memorandum and warrant in the first office above mentioned, and, crossing the rotunda to the pay-office, receives his money by tale, checked by weight.

The fourth office is appropriated to the assistant treasurership of the United States. It has no connection with the mint, other than being located within its walls,—a location which proves to be, in various respects, of public advantage.

## XI. — MISCELLANIES.

1. *Shipments of California Gold to London*.—From various "accounts-sales" of California gold, shipped from San Francisco to London, it appears, that, while the charges at London are greater than here, and the bullion is paid for there at a reduction from the legal mint value,

yet the *shipping* charges, comprehending freight, commission, insurance, and brokerage, are so much less to the English ports than to our own, that the balance is thrown considerably the other way. The expenses on bullion up to the depositing at the mint amount to  $5\frac{1}{2}$  to 6 per cent.; while the same expenses to London (from California) are only 4 per cent. Notwithstanding this considerable inequality, the great bulk of the gold, so far, finds its way to this mint.

2. *Wear of our Silver Coins.* — Half-dollars of the old standard, previous to 1837, of average wear, are found to have lost  $5\frac{1}{2}$  tenths of one per cent. A recoinage of \$ 38,000 produced \$ 37,800, in June, 1845.

Dimes and half-dimes of old standard (no date earlier than 1824), about equally mixed, are light by wear, six per cent.

The same, of new standard, 1837–50, light one and a half per cent.

3. *Gold Pens* have enough gold in them to answer their purpose, and to make them of some value when worn out. One sample gave  $9\frac{1}{2}$  grains, 465 thousandths fine; value, 19 cents. Another, 12 grains, 500 fine; worth 26 cents. A third,  $6\frac{1}{2}$  grains, 481 fine; value,  $13\frac{1}{2}$  cents.

4. *Georgia Diamonds.* — One of these, found in Hall County, Georgia, was shown at this mint in November, 1845. Weight,  $6\frac{1}{10}$  grains; about  $2\frac{1}{4}$  diamond carats. Specific gravity, 3.54. Sold in the rough state for forty dollars.

Another, from the same region, February, 1846, weighed nine grains.

5. *Our Copper Coinage*, to the end of 1850, amounted to \$ 1,296,201. Adding to this the first quarter of 1851, \$ 30,646, we have, of that ponderous currency, about 1,590 tons, of 2,000 pounds avoirdupois. This circulation is almost entirely confined to the Northern and Middle States as it is rejected by the South and West.

6. *American Spoons and Stirrups.* — A lot of gold teaspoons, deposited at the mint, from the West Indies, yielded about twenty dollars to each spoon. Mexican silver stirrups, fifty dollars in the pair.

COLLECTION  
OF  
SPECIMEN COINS  
AT THE MINT, PHILADELPHIA.

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THE suite of apartments in the mint appropriated to the exhibition of coins, ores, and national medals occupies the front of the building in the second story, and measures sixteen feet wide by fifty-four feet long. Originally there were three rooms, connecting with each other by folding-doors; the removal of these has made one large saloon, with recesses, very commodious and suitable for the use to which it is applied. The eastern and western rooms are of uniform size and construction; the central one has a dome and skylight, supported by four columns; with a corresponding window in its floor (protected by a railing) to light the hall of entrance below.

The ancient coins are displayed in eight cases, mitred in pairs, and placed erect against the walls in the wide doorways and the middle room. The modern coins are variously arranged; part (including all those of the United States) being in a nearly level case which surrounds the railing above mentioned; and part being in upright cases, disposed along the walls of the middle and west rooms. The ores, minerals, and metallic alloys are placed in the west room; in the eastern are shown the national and other medals, and the fine beams used for the adjustment of weights. The middle room also contains portraits of the directors of the mint, beginning with Rittenhouse, the first director. All the cases are fronted with glass, and, besides allowing an inspection of every specimen, present an agreeable *coup d'œil* on entering the room, especially by the middle door.

Visitors are admitted at prescribed hours, if attended by an officer or conductor of the institution.

The collection was commenced in June, 1838. Long before that date, however, Mr. Adam Eckfeldt, formerly chief coiner, led as well by his own taste as by the expectation that a conservatory would some day be established, took pains to preserve master-coins of the different annual issues of mint, and to retain some of the finest foreign specimens, as they appeared in deposit for recoinage. As soon as a special annual appropriation was instituted for this object by Congress (which was as

soon as it was asked), the collection took a permanent form, and from the nucleus above mentioned, has gone on in a continual course of augmentation ever since. It is now nearly as large as we expect or wish to have it, excepting, however, that specimens of new coinage, domestic or foreign, must be added as they appear.

For effecting this purpose we have had singular facilities. A great majority of the coins — almost all of those not over three hundred years old — have been culled from deposits, and consequently have cost us no more than their bullion value. They are, moreover, the choicest of their kind; and perhaps there are few cabinets where so large a proportion of the pieces are in so fine preservation, as well the ancient as the modern. We have also the advantage of the correspondence and aid of gentlemen abroad, some of them officially related to our government, and all of them experienced in this business, and disposed to respond to our wishes. To specify this assistance (as it deserves), we have received from J. G. SCHWARZ, Esq., United States Consul at Vienna, the greater part of our ancient coins, being a private collection, the result of twenty years' assiduity; from JOHN P. BROWN, Esq., Dragoman to the United States embassy at Constantinople, we have a very considerable proportion of the same, especially Greek and Byzantine, with a series of Ottoman coins (thus far at the usual market prices); from the late Dr. GRANT, connected with the American Christian mission to the Nestorians, through his son, a small number of ancient and rare Persian coins; from the honorable EAST INDIA COMPANY, a selection from the very scarce and curious antiques of Middle Asia, chiefly Greek-Bactrian, of which they have lately come in possession, and in which branch they have almost the monopoly; from C. STOKES, Esq., of London (besides his influence in procuring the parcel last mentioned), a number of scarce coins of England and the American colonies (these in a way of honorary exchange); from Dr. HUFFNAGLE, of Calcutta, an extended series of Asiatic coins; a parcel of scarce Hindu coins was purchased of Mr. Morris, a missionary; and from several individuals, mostly of this country, we have promiscuous specimens by donation. The disposition to place curiosities of this kind in a situation where they will be the most accessible, and, it is hoped, the most stationary, is thankfully commended.

At the present time, the aggregate of specimens is about 650 in gold, 2,100 in silver, 1,200 in billon, brass, copper, &c.; in all 3,950. Of these, the ancient Greek and Roman number 82 in gold, 503 in silver, and 480 in other metals; in all, 1,065. Compared with the numismatic cabinets of Europe, our collection is indeed but a dwarf in size, and may stand second, in that respect, to some in this country. But it was not our purpose to amass an immense store of coins, the very multitude of which might deter from its examination. We are rather willing to be the first to set an example of moderation in a pursuit which has its temptations to extravagance and excess

## NOTICES OF NEW BOOKS.

**I. A Practical Treatise on the Law of Bankers' Checks, Letters of Credit, and Drafts. Comprising the Statutes and Cases relative thereto, with Observations.** By George John Shaw. London: Groombridge & Sons. 1850. This is a duodecimo volume of 220 pages, containing a summary of the English Law upon the above topics, divided into chapters, viz.:—I. Of the Form and Requisites of Checks. II. The Law of Checks,—the Drawer. III. The Holder, Rights and Liabilities of. IV. The Banker. V. Crossed Checks. VI. Checks as Instruments of Evidence. VII. On Civil Frauds with Checks drawn without Effects. VIII. On Criminal Frauds. IX. Penalties. X. Checks as a Tender, and *Donatio mortis causa*. XI. The Law of Letters of Credit and Bankers' Drafts. This volume will be useful to bankers and money-dealers, and we hope it will be republished, omitting the remarks upon the English statutes and such topics as have a merely local bearing. The writer says, "It is considered that the diffusion of banking, and the consequent large number of persons who now require to be practically acquainted with the law of checks, render it desirable to have a small and accessible volume devoted to the subject."

**II. Logic for the Million: a Familiar Exposition of the Art of Reasoning.** By a Fellow of the Royal Society. London: Longmans & Co. 1851. 12mo. pp. 408. This volume is reputed to have been written by the author of "A Practical Treatise on Banking." The work is divided into five parts, viz.:—1. Introduction to Reasoning. 2. The Principles of Reasoning. 3. Reasoning from Examples, Analogy, Comparison, Contrast, &c. 4. The Forms of Reasoning. 5. The Applications of Reasoning to the Ordinary Affairs of Life; to History; to Political Economy; to Statistics; to Moral Philosophy; to the Formation of Habits of Reasoning.

The volume is provided with a copious index, which is one of the most essential parts of a well-digested work. Our young bankers will find in it some few appropriate topics for their own examination as professional men.

**III. The London Quarterly Review, No. 177, July, 1851.** American edition. This reprint is from the press of Messrs. Leonard Scott & Co., New York. The subjects treated are as follows:—1. The Science of Gardening. 2. Scotland before the Reformation. 3. Travels in North America, by Johnston, Lord Morpeth, Lieut.-Col. Cunyngame, and others. 4. The Arms, Arts, and Literature of Italy, from 1440 to 1630. 5. Correspondence of Walpole and Mason. 6. Origen's Philosophoumena, &c. ὈΡΙΓΕΝΟΥΣ ΦΙΛΟΣΟΦΟΥΜΕΝΑ. Η ΚΑΤΑ ΠΛΑΤΩΝ ΑΙΡΕΣΕΩΝ ΕΛΕΓΧΟΣ. Ε Codice Parisino nunc primum edidit Emmanuel Miller. 7. Badham's Euripides. ΕΥΡΙΠΙΔΟΥ ΠΟΙΗΤΕΡΕΙΑ Η ΕΝ ΤΑΥΤΟΙΣ ΕΑΝΗΗ. Textum emendavit et notulas subjecti Carolus Badham A. M. 8. Rubric versus Usage.

**IV. The Westminster Review, No. 109, July, 1851.** 1. Enfranchisement of Women. 2. Mesmerism, Somnolism, and Psychism. 3. Extinction of Slavery. 4. The Industrial Exhibition. 5. The Royal Academy of Arts. 6. The Creed of Christendom. 7. Educational Projects. 8. Organic Reforms. 9. Foreign Literature. 10. Critical and Miscellaneous Notices. The American editions of the foreign Reviews are well executed, and are issued at such low prices, that they should find a place in every good library.

The Westminster is to us the least acceptable of the series; being (as its first article intimates) a journal in sympathy with the wild reforms and ultra-democratic tendencies of the *New York Tribune*,—its "Rights of Women," "Anti-Rentism," &c. These *isms* (miscalled *Reforms*) are the wild theories of fanatics who would reduce all men and women to one common level, make all property common, and, under the popular and plausible title of Reform, sap the foundations of all good society.

**V. The Edinburgh Review, No. 191, July, 1851.** Reprinted by Leonard Scott & Co. Contents:—1. The Greek Text of the New Testament. 2. W. F. Johnston's Notes on North America. 3. Poems, Essays, and Marginalia, by Hartley Coleridge. 4. Fatal Accidents,—how far preventible. 5. Tales and Traditions of Hungary. 6. Letters to John Bull, by Sir Edward Bulwer Lytton. 7. The Romans in Britain. 8. Grote's History of Greece. 9. Dixon's Historical Biography of William Penn. 10. Modern Chemistry,—its progress and extent.

**VI. The North British Review, No. 30, August, 1851.** Contents:—1. The Social Science,—its History and Prospects. 2. The Literature of Apologetics. 3. The Net Results of 1848 in Germany and Italy. 4. Typical Forms,—Goethe, Professor Owen, Mr. Fairbairn. 5. Recent Works of Fiction. 6. Kingsley's Saint's Tragedy and Village Sermons. 7. Character in Architecture,—The Stones of Venice. 8. The Five Wounds of the Holy Church. 9. The World's Fair; by Charles Babbage.

Messrs. Leonard Scott & Co., New York, republish, in a handsome style and at a cheap rate, *The London Quarterly Review, The Edinburgh Review, The North British Review, and The Westminster Review.* Terms, Eight Dollars for the four Reviews.

**VII. Vital Statistics. Report to the Louisiana State Medical Society, on the Meteorology, Vital Statistics, and Hygiene of the State of Louisiana.** By E. H. Barton, A. M., M. D. With an Appendix showing the Experience of Life Insurance Companies in Louisiana, and Tables of Mortality for the Use of such Companies. By H. G. Heartt, Actuary of the Mutual Benefit Life and Fire Insurance Company of Louisiana.

The statistical tables here contained in reference to the free and slave population and mortality of the South, will be useful to political economists, and evince a growing disposition to encourage associations for the circulation of correct information upon the important topics above enumerated.

**VIII. The Assurance Magazine, No. 111, April, 1851.** London: Richard Taylor. This is the only periodical that we have seen devoted to the subject of Insurance. It embraces copious articles upon Life, Fire, and Marine Insurance; with notices of new laws and new companies in the United States, Belgium, Germany, Austria, and Russia. The present No. contains fourteen pages by Peter Gray, F. R. A. S., "On the True Measure of the Probabilities of Survivorship between Two Lives"; also "On the Determination and Division of Surplus and its Return to Contributors."

**IX. *The Hudson's Bay Territories and Vancouver's Island; with an Exposition of the Chartered Rights, Conduct, and Policy of the Hudson's Bay Corporation.*** By R. M. Martin, Esq., Author of the "History of the British Colonies." London. 8vo. pp. 176. This volume is accompanied with a map of the British Possessions in North America, exhibiting the recent discoveries, geographical and nautical.

**X. *Sanitary Reform. Report of the Sanitary Commission of Massachusetts,*** April, 1850. 8vo. pp. 544. This volume contains a Report of a general plan for the promotion of public and personal health, devised, prepared, and recommended by the commissioners appointed under a resolve of the Legislature of Massachusetts, relating to a sanitary survey of the State. The Board of Commissioners appointed under this law consisted of Messrs. Lemuel Shattuck of Boston, Nathaniel P. Banks, Jr. of Waltham, and Jehiel Abbott of Westfield. The volume is full of the most valuable statistical details, accompanied by judicious remarks on the present condition of the towns and cities of the Commonwealth, and by sound suggestions for their sanitary improvement. To our life-insurance companies and to medical gentlemen, as well as legislators, this Report is a most acceptable work. It is divided into five heads, viz.:—I. Sanitary Movement Abroad. II. Sanitary Movement at Home. III. Plan for a Sanitary Survey of the State. IV. Reasons for urging the Plan recommended. V. Miscellaneous Laws, &c., relating to Sanitary Organization, &c.

**XI. *The Inventor's Manual of Legal Principles, and Guide to the Patent Office.*** By George Ticknor Curtis, Counsellor at Law. This work is an abridgment of the author's larger treatise on the patent law. It forms an exceedingly useful compendium for the use of all who are interested, or who propose to become interested, in a patent right. This volume will enable them to ascertain readily the modes and forms of transacting business at the Patent Office, and the acts of Congress, by which the whole subject is regulated. 12mo. pp. 328. Boston: Phillips, Sampson, & Co.

**XII. *Commercial Review of the South and West.*** By J. D. B. Debow. New Orleans, September, 1851. This is one of the best numbers of this much improved periodical. The original papers are well written and generally interesting to the Southern and Western sections of the Union. In the departments of agriculture, commerce, manufactures, and internal improvement, the information afforded is copious and well-digested. A memoir and vignette of R. C. Brinkley, Esq., of Memphis (Tenn.), form a part of this issue.

This Review is devoted to the commercial and agricultural interests of the South and West; and furnishes a vast deal of information upon these subjects. Issued monthly, by J. D. B. Debow. Five Dollars per annum.

**XIII. *Swallow Barn; or a Sojourn in the Old Dominion.*** By John P. Kennedy. Revised Edition. With twenty illustrations by Strother. 12mo. pp. 506. New York: G. P. Putnam. This is a reprint of one of the best American novels of the last twenty-five years. Mr. Kennedy is a finished writer, and perfectly familiar with "country life in Virginia, as it existed in the first quarter of the present century." His pictures of life in the Old Dominion are graphically drawn, true to nature, and are equal to some of the best scenes in "The Sketch-Book" or "Bracebridge Hall." The engraved illustrations are also perfect, in their way, and make the work much more acceptable to the general reader.

## EDITORIAL CORRESPONDENCE.

*Branch Bank, State of Indiana, . . . . Sept., 1851.*

TO THE EDITOR OF THE BANKERS' MAGAZINE.

SIR, — I have been a reader of your valuable Magazine for two years past; it is now quoted in matters of law on banking.

Our late legislature, in their wisdom, passed a law taxing the stock of the State, and also that of the United States, — the latter of which I believe is not taxable by any State. I believe there have been two decisions by the Supreme Court of the United States on this question, — one where the city of Charleston taxed loans of the government; the other, *McCulloch vs. The State of Maryland*.

Should you at your leisure insert some brief extract or opinion upon the subject, in your Magazine, it would be read with much interest by many here. Yours, &c. . . . .

**REMARKS.** — Our correspondent will find the case of *McCulloch vs. The State of Maryland* cited, with remarks, in our third volume, pp. 211, 212, and 213, October, 1848. It will there be seen that the conclusion was, that "all subjects over which the power of the State extends are subjects of taxation; but those over which it does not extend are, upon the soundest principles, exempt from taxation."

The sovereignty of a State extends to all things which exist by its own authority, or are introduced by its permission, but not to those which are employed by Congress to carry into effect powers conferred on that body by the people of the United States. "The attempt to use the power of taxation on the means employed by the government of the United States, in pursuance of the Constitution, is in itself an abuse, because it is the usurpation of power which the people of a single State cannot give."

See *McCulloch vs. State of Maryland*, 4 Wheaton, 317; *Osborne vs. Bank of the United States*, 9 Wheaton, 738. *Weston vs. City Commissioners of Charleston*, 2 Peters, 449; *Bulow vs. City Council*, 1 Nott and McCord, 527. *Commonwealth vs. Morrison*, 2 A. K. Marshall's Kentucky Reports, 75.

VOL. I.

28

## MISCELLANEOUS.

**THE AMERICAN INSTITUTE.** — The annual exhibition of the American Institute will be held in New York, commencing on the 1st of October, and extending to the 16th. On the 1st the fair at Castle Garden will be opened; on the 6th there will be a special exhibition of dahlias and roses at Castle Garden; on the 7th and 8th, a ploughing and spading match at White Plains; on the 15th, 16th, and 17th, the annual Cattle Show at Madison Cottage, corner of Fifth Avenue and Twenty-third Street. The Anniversary Address will be delivered on the evening of the 16th of October, by Dr. Charles T. Jackson, of Boston.

**THE STANDING ARMIES OF EUROPE.** — The regular standing army of Great Britain at present consists, *with* the ordnance force, but *without* the East India Company's troops and the native West India regiments, of 135,000 men. Of these 30,500 are in the employment and in the pay of the East India Company, and may therefore be thrown out of our estimate; 23,500 more are serving in our American, African, and Australian colonies; and 8,000 in outlying military stations in Europe. Including our colonies, therefore, we have an effective force of 104,500; excluding them, we have available for home service and the defence of Great Britain only 73,000 men. The following table (for 1849) will enable us to compare our forces with those of other great states: —

Countries.	Population.	Regular army.	One soldier to every
France, . . . . .	35,500,000	408,000	87
Russia, . . . . .	54,000,000	674,000	80
Austria, . . . . .	35,800,000	406,000	88
Prussia, . . . . .	18,000,000	121,000	133
Germanic Confederation, exclusive of Austria,			
Prussia, and Bavaria, . . . . .	10,700,000	190,000	56
Sardinia, . . . . .	4,600,000	146,000	32
Spain, . . . . .	12,400,000	119,000	105
Great Britain with her Colonies, . . . . .	32,000,000	104,000	308
Great Britain without her Colonies, . . . . .	28,500,000	73,000	390

*London Economist.*

**BANKERS' CHECKS.** — A trial which was concluded on Friday in the Court of Exchequer will satisfactorily settle all doubts for the future regarding the degree of security obtained by writing a banker's name across a check. The amount involved was £2,596; Messrs. Coutts and Co. having paid a draft for that sum, although it was especially crossed "Bank of England," with the additional words, "For the account of the Accountant-General," to Messrs. Goslings, the bankers of the person in whose favor it was nominally drawn, and who, when he obtained the money at his account, made away with it instead of appropriating it to the purposes for which the check was put into his hands. The defence of Messrs. Coutts was, that it is not the general custom, if a check is crossed to one banker, to refuse to pay it to another, and upon this the representatives of various London banking firms were examined. Some of them stated, that they pursue the strict rule of regarding any such crossing as a special direction always to be attended to, and the majority admitted that at least it should invariably lead to particular inquiry. In one or two instances, however, it was contended that the object of crossing was merely to secure that it should be paid to no one but a banker, and that there was "no custom to prevent a holder of a check striking out one banker's name, and putting another in the cross." The jury took the view warranted by the preponderance of the testimony, and the one that is also in harmony with common sense; namely, that when a check is crossed "Bank of England," it does not mean "Goslings," and that if a person intended merely to indicate that it was to go through some bank, no matter which, he would content himself by writing "— and Co.," instead of capriciously nominating a particular house. A verdict was accordingly rendered for the plaintiffs, and it will, therefore, for the future, be understood, that, if bankers disregard a special crossing for the sake of obliging an individual, or for any other cause, they will have to assume the responsibility. — *London Economist*, July 5, 1851.

**THE ALBANY CITY BANK.** — It has been made public for some time that Watts Sherman, Esq., was about to relinquish his connection with the City Bank, of which he has been at the head since its organization, and to establish a banking-house in New York city. Mr. Sherman's resignation takes effect to-morrow, and his withdrawal from the bank has called out from the directors an expression of regret, an acknowledgment for past services, and hopes of success in his new career, in which our citizens generally share.

Mr. Martin, who succeeds to the cashiership of the bank, relinquishes a prominent practice, and extended professional business at the bar, and brings to his new post an intimate acquaintance with the men and the business of Albany, and unquestioned ability and probity.

ALBANY CITY BANK, Albany, July, 1851.

At a meeting of the Directors of this bank, held on the 8th instant, a communication was received from Mr. Sherman, tendering his resignation of the office of cashier of this institution, to take effect on the 1st day of August next; whereupon it was unanimously

Resolved, That the resignation of Mr. Sherman, as cashier of this bank, be accepted, and that his letter of resignation be entered in full on the book of minutes.

That this Board feel great regret at parting with the services of Mr. Sherman as chief financial officer of this bank. The signal ability with which he has conducted its affairs; the high probity and integrity which has characterized every personal and official action; the amenity and dignity of his manners, are the main causes to which this institution owes its present highly prosperous and elevated position.

That this Board feel and cheerfully acknowledge the strong obligations they are under to Mr. Sherman for his faithful and zealous devotion to the interests of this bank since its first organization, and that they cherish a fervent hope that the inducements which constrain him to leave us may be satisfactory in their realization, and prove the separation, though to us a loss, to be to him a gain.

That a committee of two be appointed and associated with the President, to procure some suitable testimonial to be presented to Mr. Sherman in the name of this bank, and that the President, in presenting the same, be requested to communicate to Mr. Sherman the sentiments of this Board as expressed in the foregoing resolutions.

Further, it was unanimously

Resolved, That Henry H. Martin, Esq., be, and is hereby, appointed Cashier of this Bank, to fill the vacancy occasioned by Mr. Sherman's resignation. — *Albany Atlas*, July 31.

**CANADA DECIMAL CURRENCY.** — The Inspector-General of Canada has submitted to the Canadian Parliament, at Toronto, a series of resolutions for the adoption of the decimal currency, as now in use in the United States. He says: —

"It is desirable to adopt a currency for this Province, which might hereafter be advantageously made common to British America, as being simple and convenient in itself, and well adapted to facilitate our commercial intercourse with other parts of this continent; and that it is therefore expedient to adopt the decimal currency, on which the unit of account shall be a dollar, or five shillings currency, to be divided decimally into smaller denominations."

**A DREAM OF THE PAST.** — Two brokers, A and B, were travelling together, and, during the journey, traded in stocks; in which operation A shaved B enormously. One morning, after B had become conscious of his singeing, he told A he had had a remarkable vision during the night. "Indeed," says A, "what was it?" "Why," replied B, "I dreamed that I was dead, and was cast into the dominions of the Evil One. The Black Spirit considered my case, and assigned me a position in a very warm corner of his dominions. Others of our acquaintance and profession I saw present, and heard doomed to various degrees of suffering; the docket was nearly cleared, when an unusual bustle was manifested by the attending fiends, and upon looking up I saw one of them lead you in, and heard him announce your name to the cloven-footed chief, and relate a brief sketch of your character. The judge seemed puzzled what to do with you; — he ordered the fiend in whose charge you were to repeat a portion of your history, when, after looking with an unsatisfied gaze into some of the deepest pits around him, Satan suddenly rose, and with an air of great deference said, 'Mr. A, YOU MAY TAKE MY CHAIR!'" — *Boston Post*.



**BANK TAXES IN PENNSYLVANIA.** — Statement showing the amount of banking capital employed in the Commonwealth of Pennsylvania, and the amount of tax on dividends and on corporation stocks derivable therefrom, for the several years therein designated, together with the ratio of said tax.

Years.	Banking Capital.	Tax on Dividends.	Tax on Corpora- tion Stocks.	Ratio.
1841, . . . . .	\$25,294,456.08	\$96,921.61	\$23,647.15	4 $\frac{1}{2}$
1842, . . . . .	19,127,677.50	44,960.50	21,184.45	3 $\frac{1}{2}$
1843, . . . . .	16,668,555.25	25,529.76	12,902.18	2 $\frac{1}{2}$
1844, . . . . .	15,577,459.50	46,705.55	31,111.69	5
1845, . . . . .	16,154,600.62	86,675.89	57,416.62	9
1846, . . . . .	20,994,724.76	75,384.82	63,458.88	6 $\frac{1}{2}$
1847, . . . . .	21,585,760.39	128,307.13	69,139.26	9
1848, . . . . .	21,462,870.01	118,048.55	66,809.11	8 $\frac{1}{2}$
1849, . . . . .	18,478,382.39	164,838.70	93,040.24	14
1850, . . . . .	18,675,484.14	153,877.14	70,008.96	12
		\$941,239.64	\$508,718.46	

**VIRGINIA GOLD.** — We saw yesterday, at the exchange office of Messrs. H. Pairo & Co., twenty-six bars of Virginia gold, the product of ninety days' labor in the Buckingham gold mine of Wm. Moseley & Co. The whole value of this consignment is about six thousand dollars, and we were gratified to learn that it is no uncommon thing for Messrs. Moseley & Co. to send their similar consignments to the Philadelphia mint through Messrs. Pairo & Co.

The mines have been in operation about three years, and notwithstanding the large drafts upon the ore up to this period, there is still a prospect of gathering the precious metal for years to come. — *Richmond Republican*, September 1.

**MARYLAND.** — Section 22 of the new constitution of Maryland, which was adopted by the people of that State in June, 1851, relates to the contracting of debts by the State, and provides as follows: —

"No debt shall hereafter be contracted by the legislature, unless such debt shall be authorized by a law providing for the collection of an annual tax or taxes sufficient to pay the interest on such debt as it falls due, and also to discharge the principal thereof within fifteen years from the time of contracting the same; and the taxes laid for this purpose shall not be repealed or applied to any other object until the said debt and the interest thereon shall be fully discharged, and the amount of debts so contracted and remaining unpaid shall never exceed one hundred thousand dollars. The credit of the State shall not, in any manner, be given or loaned to or in aid of any individual, association, or corporation, nor shall the General Assembly have the power, in any mode, to involve the State in the construction of works of internal improvement, or in any enterprise which shall involve the faith or credit of the State, or make any appropriations therefor. And they shall not use or appropriate the proceeds of the internal improvement companies, or of the State tax now levied, or which may hereafter be levied, to pay off the public debt, to any other purpose, until the interest and debt are fully paid, or the sinking fund shall be equal to the amount of the outstanding debt; but the legislature may, without laying a tax, borrow an amount never to exceed fifty thousand dollars, to meet temporary deficiencies in the treasury, and may contract debts to any amount that may be necessary for the defence of the State."

**PUBLIC DEBT OF MARYLAND.** — "Public morality is as essential to government as to individuals. We advance our claims upon the same immutable basis of truth and justice, as if the transactions had taken place in good faith and honesty between private parties. If our case be not fairly dealt with, and if the honor and credit of the State be sacrificed to clamor and to the misguided views of ambitious individuals, for party purposes, great as will be our suffering, the misfortune in the sequel will be tenfold heavier upon the people of Maryland, by the dissemination over the land of the blighting influence of dishonesty and dishonor. Then such principles and doctrines will quickly find their way into the transactions of private life, to the total subversion and ruin of the foundations of the body politic, and of the first elements of society." — *Latter of London Creditors*, December, 1843.

## NEW COINAGE OF CHILI

For the Bankers' Magazine.

COINS,—their Names and Current Values.	Weight of each Coin.			Value in U. S. Currency.	
	Metrical Grammes.	Chili Graños.	U. S. Troy Grains.		
<b>GOLD.</b> — Condor, . . . . .	\$ 10 00	15 25	305.50	235.39	\$ 9 121521
Doblon, . . . . .	\$ 5.00	7.62	152.75	117.69	4.569760
Escudo, . . . . .	\$ 2 00	3.05	61.10	47.07	1.824304
<b>SILVER.</b> — Dollar, . . . . .	\$ 1.00	25.00	500.76	396.86	0.935394
Half-Dollar, . . . . .	\$ 0.50	12.50	250.38	192.92	0.467697
Peseta of 20 centaras, . . . . .	\$ 0.20	5 00	100.15	77.17	0.187078
Decima, . . . . .	\$ 0.10	2.50	50.07	38.58	0.093539
Half-Decima, . . . . .	\$ 0.05	1.25	25.03	19.29	0.046769
<b>COPPER.</b> — Centara, . . . . .	\$ 0.01	12.50	250.38	192.92	0.009275
Half-Centara, . . . . .	\$ 0.005	6.25	125.19	96.46	0.004637

The fineness of the metals used in the gold and silver coins is 900 milliemes or nine tenths, as in the United States coins.

The proportion of gold to silver is as 1 to 16.39, and the proportion of silver to copper as 1 to 20.

In the United States the proportion of gold to silver is as 1 to 15.99, and of silver to copper as 1 to 19.8.

The old coins of Chili are identical in weight, fineness, and value with those of Spain. The new silver dollar is equivalent to the French five-franc piece, and the peseta of 20 centaras to the franc, &c.

R. S. F.

**RAILROADS IN GREAT BRITAIN.**—In that useful work, the half-yearly epitome of "Railway Intelligence," published by Mr. Mihill Slaughter, the Secretary to the Stock Exchange, the fourth number of which is just published, it is stated of railways, that in the half-year ending 31st December, 1850, the number of miles open for traffic was 6,621; miles in course of construction, 551; miles not commenced, 4,831. Total of miles authorized, 12,003, allowance being made for 179 miles legally abandoned.

The progress of railways may be learned from the following extract from Mr. Slaughter's tables:—

Period.	Length of Miles open.	Number of Passengers.	Receipts from Passengers.	Receipts from Goods.	Total Receipts.
Year ending June 30, 1845,	2,343	83,791,253	£ 2,976,341	£ 2,233,373	£ 5,209,714
" June 30, 1850,	6,308	66,840,175	6,465,576	5,942,277	12,407,853

It is also interesting to learn, from the same work, that the number of persons permanently employed by railways was in June, 1849, 55,963, and in June, 1850, 60,325, being in the former case an average of 10.27, and in the latter of 9.56 per mile of railway opened. The number of stations constructed was in 1849, 1850, and 1851, 2,030; at the former period there were 1,504 miles constructing, and 103,816 persons employed in the work; at the latter, the number of miles constructing was 864, and of persons employed, 58,884. The work contains much more such useful information.

**FOREIGN REVIEWS.**—It is rather late to dwell on the new numbers of the London and Edinburgh Quarterly Reviews; but, having found leisure to read them throughout, I am tempted to devote a few paragraphs to their contents. These strike me as forming altogether a rich supply of knowledge and gratification for any mind. The person who masters them may deem himself generally well informed. And it is difficult to pronounce which of the two numbers possesses the most value and interest. The Edinburgh has one article, if not two, of excellent erudition; the first, of forty-five pages, on the Greek text of the New Testament; that which relates to Grote's History of Greece pleases me less; it is obnoxious to general objections, and to positive dissent on main topics. In the London Quarterly there are two learned disquisitions greatly to be admired; the seventh article on Origen's Philosophoumena, and the eighth on Badham's edition of Euripides. Theological inquirers and classical critics are provided and replenished. Some of the other articles in each may be classed with the very best models of this Quarterly's purveyance. — *Paris Correspondent of the New York Journal of Commerce.*

## BANK ITEMS.

**MAINE.** — The following new banks were incorporated in 1850 and 1851.

<i>Bank.</i>	<i>Location.</i>	<i>Incorporated.</i>	<i>Capital.</i>	<i>Remarks.</i>
Exchange Bank,	Bangor,	1850, July 18,	\$50,000	In operation.
Merchants' Bank,	"	" "	50,000	"
Bank of the State of Maine,	"	1851, May 30,	250,000	"
Union Bank,	Brunswick,	1850, July 27,	25,000	"
Atlantic Bank,	Portland,	1850, Aug. 28,	51,200	"
Waterville Bank,	Waterville,	1850, July 21,	26,900	"
Ellsworth Bank,	Ellsworth,	1851, June 3,	50,000	Not in operation.
Lewiston Falls Bank,	Lewiston,	1851, May 30,	100,000	"
Rockland Bank,	Rockland,	1851, May 31,	50,000	"

The last three will probably commence operations this month.

**NEW HAMPSHIRE.** — The capital of the Claremont Bank has been increased to \$100,000. G. N. Farwell, Esq., has been elected Cashier.

**Winchester.** — Erastus Snow, Esq., has been appointed Cashier of the Winchester Bank, in place of William B. Hale, Esq., resigned.

**Annual Report.** — The Annual Report of the New Hampshire Banks, for September 1, 1851, shows the aggregate capital to be \$2,571,584; circulation, \$2,127,000; individual deposits, \$547,000; loans, \$4,709,000; specie, \$136,000; deposits in Boston, &c., to meet their circulation, \$405,000.

**VERMONT.** — The following new banks were incorporated in 1850.

<i>Bank.</i>	<i>Location.</i>	<i>Capital.</i>	<i>Required to be Paid.</i>
White River Bank,	Bethel,	\$75,000	\$40,000
People's Bank,	Derby,	50,000	30,000
Danby Bank,	Danby,	50,000	25,000
Union Bank,	Swanton Falls,	75,000	50,000

**MASSACHUSETTS.** — The Faneuil Hall Bank commenced business on Monday, September 1, 1851. The capital of the bank is \$500,000, of which \$400,000 have been paid in. President, James W. Baldwin, Esq.; Cashier, Jonas Bennett, Esq.

**Blackstone Bank.** — The Blackstone Bank commenced business on the 16th of September, at the corner of Blackstone and Hanover Streets. The capital of the bank is fixed at \$250,000, of which about \$150,000 have been paid. President, Frederick Gould, Esq.; Cashier, Joshua Loring.

**Cambridge.** — The Cambridge Market Bank will commence operations about the 1st of October, with a capital of \$100,000. President, George W. Lewis; Cashier, C. W. Kingsley, Esq., late Teller of the Brighton Bank.

**Malden.** — The Malden Bank commenced business in September. Capital, \$100,000. F. Bailey, Esq., President; E. Merrill, Esq., Cashier.

**Westfield.** — *Westfield Bank.* — This institution, incorporated by the last Legislature, has nearly completed its banking-house, and commences operations this week. Messrs. E. D. Beach, S. S. Day, and Wm. Stowe, of this town, commissioners appointed by Governor Boutwell for that purpose, examined and counted the specie in its vaults on Saturday, and, we understand, found matters in good shape. The bills of the new bank are of very elegant design and execution, and cannot fail to be in good demand. The vignette of the *ones* bears a very fine likeness of the late President Taylor. W. G. Bates, President; Henry Hooker, Cashier. — *Springfield Republican.*

**Pittsfield.** — The Pittsfield Bank commenced operations in September. Capital \$100,000. John L. Thorndike, Esq., President; C. H. Carpenter, Esq., Cashier.

**CONNECTICUT.** — S. K. Satterlee, Esq., of the Farmers' Bank, Bridgeport, has been appointed Cashier of the Merchants' Bank, at New Haven, one of the new institutions chartered by the Legislature of 1851.

**Hatters' Bank, Bethel.** — At the adjourned meeting, an additional amount was subscribed, making \$20,000 more than was needed. The capital is \$100,000. Directors were to be chosen in September.

**Ocean Bank, Stonington.** — The commissioners will open the books for subscription to the capital stock, \$100,000 we believe, on Tuesday of next week.

**Woodbury Bank.** — The books will be opened for subscriptions to the capital stock, \$100,000, on the 16th of September.

**City Bank, Hartford.** — Edmund G. Howe, Esq., has been elected President of that new bank and G. F. Davis, Esq., Cashier (now Cashier of the Branch Phenix Bank, in Litchfield).

The Waterbury Bank now has a capital of \$500,000, having had two additions made to its capital. — *Middletown Sentinel*, September 1.

**NEW YORK.** — Thomas R. Aclay, Esq., has been appointed Cashier of the Leather Manufacturers' Bank, New York City, in place of Ebenezer Pratt, Esq., who has accepted a similar appointment in the Seamen's Bank for Savings.

**Ogdensburg.** — The want which has long been felt by the business men of this village, of more banking capital in our midst, has been supplied by the establishment of a new institution, called the "Citizens' Bank." Jesse C. Dann, Esq., of Sackett's Harbor, is the President, having for his associates Messrs. E. G. Merrick and Willard Dodge, all gentlemen of the capital.

The bank will command a capital of \$300,000 if found necessary. It proposes to do a legitimate banking business, receive deposits, sell exchange, &c. — *Ogdensburg Sentinel*, September 13.

**Newburgh.** — A new bank was established at Newburgh during the month of September, entitled the Quassaick Bank. President, David Crawford; Secretary, O. M. Smith.

**Syracuse.** — The Mechanics' Bank of Syracuse went into operation in September, with a capital of \$140,000. President, Thomas B. Fitch; Cashier, E. B. Wicks.

**NEW JERSEY.** — Dr. Samuel H. Penning was, on the 19th of August, elected President of the Newark City Bank; and Charles S. Graham, Esq., was elected Cashier of the same. The latter has been, for some time past, assistant Cashier of the Bank of New York.

**PENNSYLVANIA.** — *Philadelphia Bank*, September 1, 1851. — Reports of an unfounded, as well, also, of an exaggerated character, having obtained circulation in relation to the amount of funds improperly withdrawn from the bank by the late Cashier, the Board deem it due alike to the stockholders, the public, and themselves, to make a prompt and frank statement of the case.

After having given as full an examination into the state of the bank as the time which has elapsed since the occurrence took place would allow, it has been ascertained that the actual amount which was withdrawn from the funds of the bank by the late Cashier, without the authority or knowledge of either the President or the Board, is \$189,000; nor is there any reason to believe that it will go beyond that sum, — against which, the bank are in possession of securities to a much larger (nominal) amount, and from which the Board have good reason to expect and believe that the whole or the greater part of the sum so withdrawn will be replaced. Should, however, they be disappointed to any extent in that expectation, the Board deem it proper to state that the bank has the good fortune to have accumulated a surplus fund, over and above the capital, of near three hundred thousand dollars, which is a much larger surplus than is usually deemed necessary to be retained for contingent uses.

By order of the Board.

S. F. SMITH, President.

**NORTH CAROLINA.** — *Washington.* — The Bank of Washington (N. C.) commenced business on the 15th of July last, with a capital of \$78,000 paid in; \$40,000 additional to be paid during the present six months. President, James E. Hoyt, Esq.; Cashier, M. Stevenson, Esq.

**VIRGINIA.** — Josiah Wells, Esq., was, on the 15th of August, elected President of the Bank of Virginia, at Norfolk, in place of Aaron Milhado, Esq., deceased.

## BANK STATISTICS.

## BANKS OF THE STATE OF OHIO.

Statement of the condition of the several banks in the State of Ohio, taken from returns made to the Auditor of State, on the first Monday in August, A. D. 1851.

RESOURCES.	Notes and Bills dis- counted.	Specie.	Notes of other Banks, 5-c.	Eastern deposits.	Bonds depo- sited with State Treasurer.
Athens Branch, Athens, . . . . .	\$ 280,023	\$ 40,544	\$ 6,105	\$ 24,446	\$ 20,000
Akron Branch, . . . . .	272,566	41,434	15,868	20,467	20,000
Belmont Branch, Bridgeport, . . . . .	253,853	41,897	3,790	45,311	20,000
Chillicothe Branch, . . . . .	560,257	101,157	9,641	49,650	41,350
Commercial Branch, Cleveland, . . . . .	508,818	83,172	38,287	11,035	31,250
Commercial Branch, Toledo, . . . . .	364,102	43,611	18,054	55,910	27,500
Dayton Branch, . . . . .	351,471	40,120	6,199	41,963	30,599
Delaware County Branch, Delaware, . . . . .	190,240	54,492	4,608	78,640	18,700
Exchange Branch, Columbus, . . . . .	271,333	60,659	7,377	26,488	23,700
Farmers' Branch, Ashtabula, . . . . .	219,174	35,289	5,535	37,838	21,100
Farmers' Branch, Mansfield, . . . . .	258,907	33,126	5,146	49,400	20,000
Farmers' Branch, Ripley, . . . . .	164,982	50,079	7,728	83,941	20,000
Farmers' Branch, Salem, . . . . .	259,534	37,870	11,754	23,681	20,000
Franklin Branch, Columbus, . . . . .	398,293	68,557	11,600	67,140	31,200
Franklin Branch, Cincinnati, . . . . .	589,065	50,738	122,372	37,996	30,000
Guernsey Branch, Washington, . . . . .	183,174	65,991	7,126	56,770	20,000
Harrison County Branch, Cadiz, . . . . .	245,727	40,919	12,774	38,190	20,000
Hocking Valley Branch, Lancaster, . . . . .	232,516	43,530	10,700	19,073	20,000
Jefferson Branch, Steubenville, . . . . .	295,221	43,033	25,080	26,380	20,217
Knox County Branch, Mount Vernon, . . . . .	257,516	54,162	11,376	10,301	20,000
Licking County Branch, Newark, . . . . .	226,630	57,323	17,244	5,057	20,000
Logan Branch, Logan, . . . . .	157,535	49,874	4,108	77,869	19,800
Lorain Branch, Elyria, . . . . .	146,984	49,445	7,246	68,699	19,138
Mad River Valley Branch, Springfield, . . . . .	291,869	43,186	14,638	23,013	20,000
Marietta Branch, . . . . .	228,668	40,209	8,083	27,906	20,000
Mechanics and Traders' Branch, Cincinnati, . . . . .	249,001	43,002	73,605	43,983	17,000
Merchants' Branch, Cleveland, . . . . .	298,071	61,953	12,089	38,185	23,810
Miami County Branch, Troy, . . . . .	168,321	48,821	16,436	15,238	19,550
Mount Pleasant Branch, Mount Pleasant, . . . . .	219,982	50,073	4,800	29,799	20,000
Muskingum Branch, Zanesville, . . . . .	274,805	42,899	24,663	16,986	20,000
Norwalk Branch, . . . . .	286,844	52,099	11,572	28,465	23,780
Piqua Branch, . . . . .	226,250	40,808	7,110	51,349	20,000
Portage County Branch, Ravenna, . . . . .	186,512	41,082	11,219	42,812	20,460
Portsmouth Branch, Portsmouth, . . . . .	298,855	42,655	15,620	24,894	20,000
Preble County Branch, Eaton, . . . . .	193,781	39,133	17,942	46,036	20,000
Ross County Branch, Chillicothe, . . . . .	293,779	55,600	13,062	40,279	27,800
Summit County Branch, Cuyahoga Falls, . . . . .	215,601	44,360	6,725	7,811	20,000
Toledo Branch, Toledo, . . . . .	96,402	6,791	35,755	40,502	24,575
Union Branch, Massillon, . . . . .	220,052	55,532	25,967	44,115	27,800
Wayne County Branch, Wooster, . . . . .	153,046	48,933	18,892	46,210	13,600
Xenia Branch, Xenia, . . . . .	298,431	62,813	21,337	24,892	27,600
Total resources of State Branches, . . . . .	\$ 11,218,205	\$ 2,008,059	\$ 710,199	\$ 1,541,200	\$ 922,282
Bank of Circleville, . . . . .	\$ 338,087	\$ 88,275	\$ 12,808	\$ 208,563	..
Clinton Bank of Columbus, . . . . .	568,255	126,488	26,940	99,641	..
Lafayette Bank of Cincinnati, . . . . .	1,012,168	130,447	100,094	68,638	..
Bank of Massillon, . . . . .	557,596	87,279	15,083	93,549	..
Ohio Life Insurance and Trust Company, . . . . .	1,177,427	5,892	132,923	..	..
Total resources of Old Banks, . . . . .	\$ 3,653,535	\$ 438,384	\$ 269,635	\$ 470,292	..

<b>Resources.</b>	<b>Loans.</b>	<b>Specie.</b>	<b>Bank Notes.</b>	<b>Exchange.</b>	<b>State Bonds.</b>
Bank of Geauga, . . . . .	\$ 133,561	\$ 24,860	\$ 24,331	\$ 23,608	\$ 112,061
Canal Bank of Cleveland, . . . . .	173,431	11,514	9,989	31,254	53,703
City Bank of Cleveland, . . . . .	154,540	23,069	26,406	19,089	114,270
City Bank of Cincinnati, . . . . .	172,445	23,212	29,746	83,031	152,000
City Bank of Columbus, . . . . .	528,185	49,952	34,205	41,436	215,830
Commercial Bank of Cincinnati, . . . . .	391,590	18,610	21,608	32,196	54,000
Dayton Bank, . . . . .	233,100	41,296	8,622	32,190	174,292
Franklin Bank of Zanesville, . . . . .	241,546	25,403	48,470	44,494	153,957
Sandusky City Bank, . . . . .	197,994	11,557	7,296	23,818	53,066
Seneca County Bank, Tiffin, . . . . .	83,020	15,892	7,108	15,338	100,000
Western Reserve Bank, Warren, . . . . .	278,794	53,037	13,829	36,024	226,038
Mahoning County Bank, Youngstown, . . . . .	82,160	14,920	10,033	12,366	46,261
<b>Total resources of Independent Banks,</b>	<b>\$ 2,670,372</b>	<b>\$ 313,309</b>	<b>\$ 241,643</b>	<b>\$ 394,840</b>	<b>\$ 1,465,480</b>
<b>Total resources of all the Banks,</b>	<b>\$ 17,542,113</b>	<b>\$ 2,759,753</b>	<b>\$ 1,241,480</b>	<b>\$ 2,407,133</b>	<b>\$ 2,387,909</b>

<b>LIABILITIES.</b>	<b>Capital.</b>	<b>Circulation.</b>	<b>Due Banks.</b>	<b>Deposits.</b>	<b>Total.</b>
Athens Branch, Athens, . . . . .	\$ 100,000	\$ 199,460	\$ 9,811	\$ 26,500	\$ 354,796
Akron Branch, . . . . .	100,000	188,900	6,349	74,678	369,859
Belmont Branch, Bridgeport, . . . . .	100,000	198,500	5,443	63,616	367,559
Chillicothe Branch, . . . . .	250,000	384,302	9,663	116,091	759,956
Commercial Branch, Cleveland, . . . . .	175,000	291,559	20,903	198,801	742,159
Commercial Branch, Toledo, . . . . .	150,000	259,305	10,843	84,545	504,693
Dayton Branch, . . . . .	200,000	203,194	2,477	82,998	508,255
Delaware County Branch, Delaware, . . . . .	93,500	183,369	1,306	66,698	360,061
Exchange Branch, Columbus, . . . . .	125,000	214,997	15,123	35,692	412,444
Farmers' Branch, Ashtabula, . . . . .	100,000	183,934	137	38,438	332,324
Farmers' Branch, Mansfield, . . . . .	100,000	187,010	6,266	69,598	362,873
Farmers' Branch, Ripley, . . . . .	100,000	198,422	1,321	47,227	359,193
Farmers' Branch, Salem, . . . . .	100,000	198,903	820	50,655	362,149
Franklin Branch, Columbus, . . . . .	175,000	298,199	2,596	89,398	583,096
Franklin Branch, Cincinnati, . . . . .	169,000	234,239	62,476	414,369	902,362
Guernsey Branch, Washington, . . . . .	100,000	200,000	2,592	27,211	336,758
Harrison County Branch, Cadiz, . . . . .	100,000	198,429	501	49,173	364,719
Hocking Valley Branch, Lancaster, . . . . .	100,000	192,210	3,598	36,674	339,227
Jefferson Branch, Steubenville, . . . . .	100,000	197,820	3,262	124,329	442,723
Knox County Branch, Mount Vernon, . . . . .	100,000	196,181	3,114	55,259	358,413
Licking County Branch, Newark, . . . . .	100,000	192,219	5,388	10,990	332,997
Logan Branch, Logan, . . . . .	99,020	196,173	11	14,026	316,842
Lorain Branch, Elyria, . . . . .	99,000	157,017	798	34,590	306,313
Mad River Valley Branch, Springfield, . . . . .	100,000	182,824	3,401	97,934	400,537
Marletta Branch, . . . . .	100,000	198,362	6,970	32,613	348,025
Mechanics and Traders' Branch, Cincinnati, . . . . .	100,000	159,992	63,696	219,663	551,509
Merchants' Branch, Cleveland, . . . . .	125,000	234,969	28,177	146,058	575,931
Miami County Branch, Troy, . . . . .	100,000	151,613	3,594	23,888	283,211
Mount Pleasant Branch, Mount Pleasant, . . . . .	100,000	199,251	2,852	25,670	339,516
Muskingum Branch, Zanesville, . . . . .	100,000	198,024	1,496	73,646	365,134
Norwalk Branch, . . . . .	125,000	236,262	618	36,974	415,271
Piqua Branch, . . . . .	100,000	182,406	5,062	66,306	362,896
Portage County Branch, Ravenna, . . . . .	103,000	193,605	385	12,220	318,469
Portsmouth Branch, Portsmouth, . . . . .	100,000	194,420	10,696	78,655	394,534
Preble County Branch, Eaton, . . . . .	100,000	175,209	318	43,204	335,175
Ross County Branch, Chillicothe, . . . . .	150,000	263,551	7,643	100,985	539,403
Summit County Branch, Cuyahoga Falls, . . . . .	85,720	195,650	762	70,271	358,391
Toledo Branch, Toledo, . . . . .	130,500	245,750	4,567	24,248	415,644
Union Branch, Massillon, . . . . .	150,000	273,000	24,027	43,987	505,573
Wayne County Branch, Wooster, . . . . .	81,500	139,422	3,143	56,463	291,964
Xenia Branch, Xenia, . . . . .	150,000	255,330	2,899	40,628	462,099
<b>Total liabilities of State Branches,</b>	<b>\$ 4,836,240</b>	<b>\$ 8,623,702</b>	<b>\$ 344,973</b>	<b>\$ 3,005,006</b>	<b>\$ 17,502,274</b>

LIABILITIES.	Capital.	Circulation.	Due Banks.	Deposits.	Total.
Bank of Circleville, . . . . .	\$ 200,000	\$ 376,744	\$ 13,049	\$ 35,211	\$ 694,994
Clinton Bank of Columbus, . . . . .	250,000	557,312	6,187	74,078	961,094
Lafayette Bank of Cincinnati, . . . . .	662,700	300,556	81,943	306,901	1,525,198
Bank of Massillon, . . . . .	200,000	398,172	8,321	126,319	810,077
Ohio Life Insurance and Trust Company, . . . . .	611,228	4,000	393,175	458,682	1,472,790
Total liabilities of Old Banks, . . . . .	\$ 1,923,928	1,636,784	\$ 502,676	\$ 1,000,193	\$ 5,443,731
Bank of Geauga, . . . . .	\$ 40,000	\$ 110,857	\$ 8,309	\$ 40,945	\$ 329,104
Canal Bank of Cleveland, . . . . .	50,000	57,179	6,077	128,726	294,892
City Bank of Cleveland, . . . . .	50,000	110,936	3,336	77,968	349,598
City Bank of Cincinnati, . . . . .	132,200	144,129	89,398	154,265	579,506
City Bank of Columbus, . . . . .	148,080	215,626	78,303	241,314	956,486
Commercial Bank of Cincinnati, . . . . .	50,000	46,517	35,480	360,536	594,329
Dayton Bank, . . . . .	91,850	132,506	3,700	141,418	550,313
Franklin Bank of Zanesville, . . . . .	100,000	147,227	4,772	108,946	526,374
Sandusky City Bank, . . . . .	62,500	51,069	25,091	113,137	336,394
Seneca County Bank, Tiffin, . . . . .	50,000	97,013	6,558	20,998	230,038
Western Reserve Bank, Warren, . . . . .	65,000	223,256	4,518	100,969	630,963
Mahoning County Bank, Youngstown, . . . . .	25,000	38,960	3,677	22,416	170,538
Total liabilities of Independent Banks, . . . . .	\$ 864,630	\$ 1,375,295	\$ 269,474	\$ 1,510,963	\$ 5,536,489
Total liabilities of all the Banks, . . . . .	\$ 7,624,796	\$ 11,635,781	\$ 1,117,126	\$ 5,516,163	\$ 28,482,465

*Comparative Statement of the Banks of the State of Ohio for the Years  
1847, 1848, 1849, and 1851.*

LIABILITIES.	May, 1847.	Nov., 1848.	Aug., 1849.	Aug., 1851
Capital, . . . . .	\$ 5,071,730	\$ 6,654,418	\$ 7,029,187	\$ 7,624,796
Circulation, . . . . .	7,281,030	9,166,680	9,863,680	11,635,781
Safety fund stock, . . . . .	806,000	1,091,212	1,143,120	1,320,557
Due to banks, . . . . .	1,051,860	980,170	1,291,290	1,117,126
Depositors, . . . . .	3,366,835	4,170,360	4,369,635	5,568,735
Surplus fund, . . . . .	269,005	485,430	530,876	597,956
Time bills, . . . . .	...	...	182,352	263,857
Discounts, . . . . .	...	...	254,504	322,271
Miscellaneous, . . . . .	492,260	430,656	85,180	41,354
Total liabilities, . . . . .	\$ 18,328,720	\$ 22,978,926	\$ 24,749,894	\$ 28,482,465
RESOURCES.	May, 1847.	Nov., 1848.	Aug., 1849.	Aug., 1851.
Notes and bills discounted, . . . . .	\$ 10,936,660	\$ 13,678,850	\$ 14,443,843	\$ 17,542,113
Specie on hand, . . . . .	2,026,550	2,900,700	3,209,920	2,769,783
Notes of other banks, . . . . .	1,081,560	1,259,437	1,811,067	1,941,480
Bank balances, . . . . .	519,870	920,160	799,687	1,065,182
Eastern deposits, . . . . .	1,262,166	1,586,584	1,507,900	2,407,133
State bonds deposited, . . . . .	1,170,270	1,799,450	1,975,500	2,337,810
Real estate, . . . . .	...	...	307,854	461,973
Miscellaneous, . . . . .	1,331,644	833,744	694,753	597,080
Total resources, . . . . .	\$ 18,328,720	\$ 22,978,926	\$ 24,749,894	\$ 28,482,465

For further particulars relating to the Ohio banks, our readers are referred to Vol. IV. pp. 15, 354, 594; Vol. V. pp. 140, 169, 173, 632, 881, and Sept. No., 1851.

UNITED STATES MINT AT NEW YORK. — Alderman Sturtevant offered the following resolution, which was referred to the Committee on Finance: —

*Resolved*, That it be referred to a special committee to select from among the unappropriated lands belonging to the city, a proper and suitable site for the erection of a United States Mint, and that when said site shall be selected, and reported, and adopted by the Common Council, that then the Mayor shall be requested to tender the same to the general government, on the part of the corporation of the city of New York, for that purpose.

## Notes on the Money Market.

BOSTON, SEPTEMBER 27, 1851.

There is no essential improvement in the money market since our last report. The rates for money which then existed have been since maintained without diminution, and borrowers are still compelled to submit to exorbitant charges on paper of the first order. We now quote prime business notes and acceptances, two to six months, 12 per cent. per annum. Second-rate paper, 15 to 20 per cent. Loans on call may be negotiated at less rates, viz. 9 to 10 per cent. on government and State loans of unquestioned value. Some few failures have taken place among the dry goods jobbers and hardware dealers of New York and Boston, but these are fewer than we should expect in times so straitened as those of the last two months. The failures that have occurred in the large cities have tended to diminish confidence in business paper, and to increase the rates on its negotiation.

The Bank Commissioners of Massachusetts have been engaged, during the month of September, in their annual examination of the banks throughout the city of Boston. The anticipation of this examination has induced the banks to prepare therefor, and of course a desire exists to put the best face upon their own condition. As the statements will be published at a future day, each institution feels desirous of exhibiting their affairs in a favorable light. The loans on call, at such times, are generally called in; the specie is parted with reluctantly; and every exertion is made to place the bank upon such a footing as will secure and retain the confidence and good-will of the community.

Five new banks have gone into operation in this State during the past month; viz. The Faneuil Hall Bank, with a capital of \$500,000; Blackstone Bank in Boston, capital \$250,000; and the Malden Bank, the Pittsfield Bank, and the Westfield Bank. This increase of bank capital does not imply, necessarily, an increase of banking facilities. The circulation, deposits, and loans of all the banks have but slightly increased during the last six years, while the capital has increased twenty per cent. during the same period. In the year 1837 there were more banks and more bank capital than in the year 1850; but their specie is now twice as large in amount. We annex the comparative statements for the years 1837, 1848, and 1850.

Year.	No. of Banks.	Capital.	Circulation.	Deposits.	Specie.
1837	34	\$21,350,000	\$4,386,000	\$6,680,000	\$1,130,000
1848	26	18,980,000	4,900,000	6,100,000	1,886,000
1850	29	20,861,000	6,200,000	7,600,000	2,257,000

Although the bank capital has increased two millions during the last twelve months, it is doubtful whether the loans are as large now, within six millions of dollars, as in October, 1850. The stringency in the money market during the last two months has probably curtailed the bank loans about ten per cent.

The export of coin to Europe has reached, during the present year, the enormous sum of thirty-three millions of dollars; and since January, 1850, \$38,000,000 from New York alone. We do not find any material diminution in the amount of imports. The custom-house duties at New York average \$600,000 per week, equivalent to more than thirty millions of dollars per annum.

The foreign export of cotton for the year ending September 1, 1851, was about two millions of bales. This would, under ordinary or average prices for the staple, produce about eighty millions of dollars to this country; but it is found that the reduced prices existing for some eight months past will produce probably fifteen or twenty millions less.

The following scale of ruling prices, since September, 1850, will be useful for future reference.

	New Orleans.	Liverpool.
1850, September 1, . . . . .	12½ to 13 cents.	13½ to 14 cents.
" October, . . . . .	12½ to 13½ "	13½ to 14½ "
" November, . . . . .	13½ to 13½ "	13½ to 14½ "
" December, . . . . .	13 to 13½ "	13½ to 14 "
1851, January, . . . . .	12½ to 13 "	13½ to 14 "
" February, . . . . .	12 to 12½ "	13½ to 13½ "
" March, . . . . .	9½ to 10½ "	11½ to 12½ "
" April, . . . . .	10½ to 11 "	12 to 12½ "
" May, . . . . .	9½ to 9½ "	10½ to 11½ "
" June, . . . . .	8 to 8½ "	9½ to 9½ "
" July, . . . . .	7½ to 8½ "	9½ to 10½ "
" August, . . . . .	6½ to 7½ "	8½ to 9½ "



The preceding prices include what are termed middling, good middling, and middling to fair, in both New Orleans and Liverpool.

The imports into this country during the fiscal year ending the 30th of June last were based upon prices of cotton that prevailed twelve months since. The orders that went out between October, 1850, and February, 1851, for foreign manufactured goods were based upon the belief that cotton would be fully sustained in its then prices. If this had been realized, the present stringency in the money market would have been in a great measure averted. Prices have fallen fifty per cent. since October, 1850, and the consequence is a large deficit in the actual proceeds of the cotton exported to England and the Continent. The following are the crops for each of the last eighteen years.

Year.	Bales.	Year.	Bales.
1834, . . . . .	1,205,000	1843, . . . . .	2,378,000
1835, . . . . .	1,254,000	1844, . . . . .	2,030,000
1836, . . . . .	1,360,000	1845, . . . . .	2,394,000
1837, . . . . .	1,423,000	1846, . . . . .	2,100,000
1838, . . . . .	1,801,000	1847, . . . . .	1,778,000
1839, . . . . .	1,860,000	1848, . . . . .	2,237,000
1840, . . . . .	2,177,000	1849, . . . . .	2,728,000
1841, . . . . .	1,635,000	1850, . . . . .	2,097,000
1842, . . . . .	1,683,000	1851, . . . . .	2,355,000

The condition of the money market for the next six months will depend mainly upon three things: 1st, the price of cotton in Europe; 2d, the imports of foreign goods; and 3d, the receipts of California gold.

If there should be a favorable reaction in the prices of cotton, sterling exchange, which is now one per cent. above par, will recede to an actual par value; and the moment bills reach 9½ to 9¾, specie will cease being an article of export.

The present rates for money will deter many merchants from importing beyond the actual wants of the country. Reduce the imports to one hundred and eighty millions of dollars annually, and our cotton and grain and surplus gold will discharge that indebtedness.

We assume that the receipts of gold for the next six months will be equal to the last half-year. In that event we can afford to export one half the receipts, and leave enough in the country for the wants of the banks and the people.

Whenever the specie export shall be reduced to two millions per month, our readers may rely upon money becoming easy; but the longer the export continues at its present monthly sum, money will become more scarce.

Some few failures have taken place in Boston, New York, Baltimore, and other cities, during the present month, but they create no serious uneasiness among bankers, and only render necessary a little more caution in the selection of paper at the discount board.

Among the failures we mention the Thompsonville Carpet Manufactory, Connecticut; Messrs. F. S. and D. Lathrop & Co., New York; Messrs. Montgomery & Co., Haverhill; James Cassidy & Sons, Philadelphia. The People's Bank, at Paterson, New Jersey, has also suspended specie payment.

The following is the return of coin held by the New York City banks and Sub-treasury at nine different periods during the year 1851.

	In Banks.	Sub-treasury.		In Banks.	Sub-treasury.
March 3, . . .	\$8,053,000	\$3,803,000	July 1, . . .	\$8,520,000	\$2,294,000
April 10, . . .	7,218,000	4,267,000	July 23, . . .	7,843,000	2,050,000
May 15, . . .	7,967,000	4,400,000	Aug. 25, . . .	6,904,000	3,400,000
June 2, . . .	9,731,000	2,207,000	Sept. 8, . . .	7,113,000	3,430,000
June 16, . . .	8,730,000	2,652,000			

The most exciting topic of conversation in commercial circles is the failure of Messrs. Thompson & Co., the well-known carpet manufacturers, who have been obliged to execute an assignment of their effects. Their liabilities must be very large, and pretty well divided among the banks throughout Connecticut and in this city. The amount is variously estimated at one and a quarter to one and a half millions of dollars. We understand that the large houses who gave the above firm such prompt assistance upon the failure of a large auction house early in the year, have been secured against loss.

The signs of returning confidence noticed at the close of last week have once more given place to distrust, and it is very difficult to negotiate second-class bills, even at a high rate.

The steamer on Wednesday will take out considerable specie, four hundred thousand dollars being already engaged.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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NEW VARIETIES OF GOLD AND SILVER COINS AND  
BULLION.

BY JACOB R. ECKFELDT AND WILLIAM E. DU BOIS,  
ASSAYERS OF THE UNITED STATES MINT.

1. Recent Coins of the World. 2. Recent Counterfeit Coins. 3. Gold from California. 4. Recapitulation of the Net Mint Values of Gold and Silver Coins issued within Twenty-five Years. 5. Silver from Lake Superior. 6. Table of Correspondence between Pennyweights and Grains, and the Decimal Fractions of a Troy Ounce. 7. Comparison of American and Foreign Weights used for Precious Metals. 8. Bulk and Packing of Precious Metals. 9. Determination of the Value of a Specimen of Gold or Silver in its native Rock or Gangue. 10. Transaction of Business at the Mint.

[The important changes that have occurred in the commercial world, through the recent introduction of gold from California, have caused more general inquiry into the subject of the supply and consumption of the precious metals. An authentic account of the late coins of American and European nations has been a desideratum, for some years, among bankers and money-dealers. The present compilation has been prepared to meet this want, and it is now furnished to the readers of the *Bankers' Magazine* as a highly useful addition to numismatic literature. The early portions of the work are contained in the Nos. of the *Bankers' Magazine* for September, October, and November. The conclusion will be contained in the No. for December. — ED. B. M.]

VOL. I.

29

## REMARKS ON THE COINS OF THE ROMAN EMPIRE.

THE interest excited by the examination of a curious coin generally has reference to the following particulars :— I. Its country and date. II. Material, or composition. III. Denomination and value. IV. The meaning of its legends and devices. V. The style of its execution ; and VI. Its present degree of rarity.

A few general explanations will here be offered on each of those points, as they relate to the coins of the Roman Empire.

I. The coins of which these are specimens were the current money of ancient Rome ; an empire founded (by the usual reckoning) seven hundred and fifty-three years before Christ, and finally extinguished A. D. 1453. According to their respective places in this vast tract of time, they exemplify the rudeness and poverty of a petty colony, the grandeur of an immense dominion, and the decay and barbarism of its feeble remnants.

When we come to display these relics in their historical order, only one considerable difficulty is presented. We know, indeed, that the rough pieces of base metal were the earliest currency of Rome, sufficient for a poor and warlike horde. The pieces of silver, bearing only the insignia and name of growing ROMA, must also be referred to an early period. But after that, and until the change from a republic to a despotism, the regulations of the coinage were such as to make it impossible now to arrange the coins in chronological order. The operations of the mint were under the control of the Senate, and by that body intrusted to an official board, who seem to have had the power to enstamp such devices as they chose, but not to place the head or effigy of any individual on the coin, as was then the practice in neighboring monarchies. This distinction, it may be observed, has prevailed down to this day ; and it is to the precedent set by the republics of Greece and Rome, as well as to an obvious propriety, that we owe the rule which excludes from our coins the heads of the Presidents. But while this honor was denied even to a consul or a conqueror, the Senate permitted, or overlooked, the insertion in the legend of the *name* of an officer of the mint, or of a consul, prætor, or provincial governor, for whose disbursements any specific grant of bullion was wrought into coin ; or, if not an individual name, a general family surname ; to which was frequently added some device to illustrate a famous action of the man, or of his ancestor. This evasion of the strict republican rule does not, however, give much aid to the numismatist, especially where the name and exploit were those of an ancestor, or where the same name belongs to persons of different eras. The whole difficulty in the case has, by common consent, long since been resolved into a classification of such pieces as FAMILY Coins, in opposition to Imperial ; and they are anomalously arranged in the *alphabetical order* of family names. The limit of this arrangement is not exactly defined, but it may be said to extend almost from the commencement of the use of silver down to the days of Augustus ; although the rule in regard to portraits was broken through by his predecessor.

**The family coins** may, therefore, represent a period of two hundred and fifty years, terminating about the birth of Christ.

Augustus took charge of the gold and silver coinage as an imperial prerogative, leaving the brass still under the care of the Senate; a most striking exemplification of the change of affairs, and of the relative power of prince and people. This accounts for the S. C. (*senatus consulto*) on the inferior moneys. After the time of Gallienus, about the middle of the third Christian century, even this remnant of Senatorial authority disappears.

In respect to the date of Roman coins, it is to be noticed, generally, that although the art of coining probably originated in Greece or Asia Minor, about the time of the foundation of the Roman colony, it appears not to have reached that obscure and rude people until the reign of Servius Tullius, near the close of the second century of Rome. Reckoning from that term as far downward as we can verify the coinage of the Lower Empire, which is not nearer to its overthrow than a century and a half, the range of date is more than eighteen hundred years. It may be added, that there is no single series to be compared with it, in extent, variety, and completeness. There was scarcely an emperor, or usurper, though hurled from his seat in a fortnight or a month, who did not leave a diversity of monetary monuments for coming ages.

But more particularly, as to the date of any individual piece, it is ascertained, in many cases, by the year of the "tribunitian power" of the Emperor; thus, *TR. P. VI.* of Claudius is equivalent to A. D. 46. It is solved also by the year of his consulship; thus, *Vespasian Cos. III.* answers to A. D. 71: but as that title was not annually resumed like the preceding, this is a less direct means of information. The renewal of the inaugural vow, every five or ten years (*vot. v.*, *vot. x.*), likewise determines the date. And when a victory, or other great event, is symbolized on the coin, its age is determined by the aid of history. But often we can only approach the date within a few years, that is, within the limits of a reign; and the brevity of many of them gives even more precision than an annual mark.

Notwithstanding the large use made of emblems in allusion to Christianity, from and after the time of Constantine, there is no instance of a Christian date on a Roman coin; nor, indeed, is it to be found on the coinage of any country, until a period subsequent to the fall of the Lower Empire.

II. **THE MATERIAL, OR COMPOSITION, of Roman coins.**—For about three centuries, Roman money consisted solely of bronze, a mixture of copper and tin; at first cast in moulds, but afterwards stamped, when other metals came into use. In the year of Rome 487 (B. C. 266) silver was introduced into the coinage, and gold sixty years later; though it is believed that this last was of trifling amount prior to the conquests of Julius Cæsar. In his time, bronze coins began to be displaced by copper and brass; the latter, a composition of copper and calamine (ore of zinc), being wrought with some trouble, and much admired, is said to have been accounted worth twice as much as copper. This mixture disappeared about the close of the third Christian century, and thereafter copper alone was used for the inferior coinage.

The gold coin was maintained at almost absolute purity (990 to 996 thousandths) from first to last. The exceptions in our collection are in the instance of Michael I. Rhangabe (A. D. 811–813), who, besides a bezant of good weight and fineness, issued one very inferior in both respects, the fineness being not above 600; and again, in the reigns of Michael VII., Ducas, Romanus IV., and Nicephorus III., extending from 1067 to 1081, we have gold coins of the same inferior quality. They were restored by the next prince, Alexius I.

The silver coin, down to the reign of Augustus inclusive, was also intended and considered as pure, and is found to be 950 to 985 thousandths fine. But in the ensuing reigns there was a constant downward tendency, ending in an absurd and extravagant debasement. In the coinage of Nero, we find the quality of 82 per cent.; from Vespasian to Hadrian, it ranges from 78 to 85. The *very* base silver begins with Septimius Severus, about A. D. 200; and in the times of Elagabalus and Philip (say half a century farther on), the coins contained not more than 40 to 45 per cent. of silver; the alloy being copper, with a portion of tin, to preserve the color. In some cases it would seem as if the emperors of those troubled times resorted to the expedient of issuing copper with a mere plating of silver. But a salutary and permanent reform is to be dated from the reign of Diocletian, in the close of the third century. Silver of a good quality, say 91 to 96 per cent. fine, was used from that time, down through all the decline of the empire.\* The silver coin appears, however, not to have been abundant in the later times; the currency chiefly consisting of gold for large payments, and copper for petty dealings. This is fairly inferred from the proportions in which the three kinds are now extant, or are from time to time recovered.

III. DENOMINATION and VALUE.—As it regards the denominations of Roman coins, the modifications and changes, in a range of eighteen centuries, have occasioned so much perplexity, that the professed collectors pay but little attention to the subject, finding it more convenient to use their own technical terms; such as, *gold* (or *silver*) of the *usual size*; gold or silver *quinarius*, half-size; *large medallions*, *small medallions*; *first*, *second*, and *third brass*; or *large*, *middle*, and *small brass*. The expressions are not very definite, but sufficiently so for their purposes. So as to intrinsic value; whether a gold piece is 12 to 24 carats, whether a silver one is pure or base, is a circumstance which they hardly deign to inquire into; the degree of rarity is every thing.

But every intelligent reader of the history of Rome wishes to have

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\* The degrees of fineness above stated are from our own trials; by assay, in the case of silver coins not valuable; by specific gravity, where the pieces were too scarce to be cut; a very good approximation for gold coins, and sufficient for rare silver. Whatever difference there is between our rates and those to be found in the Preface of Akerman on Roman Coins (and it is not important) is chargeable to the very unsteady character of the coins, even of the same reign; possibly of the same year. The weights (hereafter given) are also our own, and show about the same correspondence with those given by Akerman.

We have found also, in the silver coins, a larger quantity of gold than would be suffered to remain in the present state of the *parting* art. It is small enough, however, to show that the ancients took some pains in that business.

some idea of the moneys according to their names, which he meets on every page; as also of their intrinsic value. A few details must suffice here.

*As*, *sestertius*, *denarius*, *aureus*, were the principal money-terms of the Romans.

The *as*, or *as libralis*, "pound of brass," and its divisions, were the earliest coins. Originally the *as* weighed a Roman pound of 12 oz. (equal to 12 oz. avoird.), but, by successive reductions in a long course of years, it was brought down to half an ounce, before the Christian era. In this form it was often called by the diminutive term *assarium*. In the time of Constantine it had declined to 20 grains.

The *sestertius*, called also *nummus*, "the coin," by eminence, was a brass coin, of about one ounce in the time of Augustus, and so continued for two centuries, when it began to lose weight, and is not easily to be traced. The Romans were used to reckon by the *sestertius* for small sums, and by the *sestertium*, or great sesterce (equal to 1,000 *sestertii*), for large amounts. This last was only a money of account.

The *denarius* was the principal silver coin, weighing at first about 60 grains, and, although rather lighter than the Greek drachm, passed as its equivalent. In the second Christian century it weighed 50 to 55 grains; in the third, 48 to 50. The fineness being also in a course of depreciation, the value of the piece, at first near 16 cents, fell, under the first emperors, to 14 or 15 cents; 11 or 12 in the times of Vespasian, Trajan, and the Antonines; and about 6 cents, under Elagabalus. Its character was somewhat restored by Diocletian; but it seems impossible, from the great fluctuation in weight, to put a value upon the *denarius* of the Empire after its partition.\*

From this coin we ascertain the value of inferior ones already named. It was at first worth ten times the *as*; but afterwards, and before the Christian era, was equal to 16 *asses*. It was also equal to four *sestertii*, or two *quinarii*. The *quinarius* was a silver coin, not very common.

The *aureus*, or gold coin, was double the weight of the *denarius*, under the first emperors, and intrinsically worth about five dollars; sometimes a quarter-dollar more, but oftener less by that much. So it continued down to Pertinax, A. D. 192, as we find from our own specimens, and as we learn from other sources, until Severus Alexander, thirty years later. During that century the gold coinage partook somewhat of the confusion, and especially the depreciation, of the other moneys. The *aurei* in our cabinet, from Decius to Numerian, vary 20 grains (85 cents) one from another, and on the average are worth about \$3.25. From

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\* It seems to be taken for granted, while it is by no means certain, that the English penny was based upon the later Roman *denarius*. The early pennies weigh nearly a pennyweight, and are worth six cents. The coin has since passed from silver to copper, and is worth only two cents. And (to trace the lineage down to our own day and country), by the debasement of moneys of account, the *penny* in the United States, though differing in different States, is so little above a cent that it is common to use the two terms interchangeably. We may remark here that the translation of the word *denarion* (*denarius*) into *penny*, in the New Testament, although in one sense legitimate, gives a very incorrect idea.

Diocletian to Constantine the Great, the aureus, now assuming the name of *solidus*, is about \$ 3.50. But it was again reduced, by the sons of Constantine, to 70 grains, or three dollars value; and, singularly enough, maintained that weight, within a grain or two, during eight or nine centuries thereafter. The gold *solidus*, or *bezant* of the Byzantine Empire, was the currency of all Europe in the Middle Ages, and is often met with in the histories of those eventful times; and (except in one or two cases of gross deterioration of fineness) may be understood as a piece of nearly fine gold, about three dollars in value, or, more exactly, \$ 2.90.

IV. THE MEANING OF THE DEVICES naturally attracts attention, and has been so much a study, that, in most cases, in spite of much obscurity and abbreviation, it is pretty well known what was intended to be expressed or symbolized. It might interest, or at least amuse, the unskilful, to see an antiquarian set himself to work upon such an unpromising row of initials as S. P. Q. R. P. P. OB C. S., and alight upon this solution, — *Senatus Populus Que Romanus, Patri Patriæ, Ob Cives Servatos*, meaning, in extenso, that the Senate and people of Rome thanked their emperor, the father of his country, for preserving the citizens; a compliment repeatedly found on the coins of Augustus Cæsar and Caligula.\* In respect to the legends, nothing more need here be said, as they are generally copied into the ensuing descriptions, with an occasional translation, for those who are not accustomed to the extreme density of a Latin inscription.

Some idea of the devices may be obtained from the few specimens engraved in the frontispiece. The helmeted head of an imaginary deity, or personification of Rome, was the favorite obverse of the republican coinage, as the emperor's portrait was in the imperial days. On the reverse, we are continually reminded that the Romans were a warlike and an idolatrous people; the allusions being almost entirely to their gods or their arms. This is the case as far as to Constantine, under whose authority Christianity was adopted as the state religion; from his time, (excepting in the brief reign of Julian, who made a determined effort to restore Jupiter and Apis,) we see no more of the ancient divinities, although there is an abundance of the usual GLORIA ROMANORUM and VICTORIA AUGUSTI, much more indeed than faithful history warrants. After a time, even military glory seems sunk in the superior claims of piety, and the rude coins of the declining Eastern Empire almost slight the reigning emperor, in a wretched delineation of the form of our Saviour, or of the Virgin, with such mottoes as JESUS CHRISTUS, REX REGNANTIUM.

It may here be added, that the Byzantine coins offer some mysteries which have hitherto baffled the numismatists; especially the colossal

\* This abbreviated style has but lately gone out of fashion; that is, since monarchs have contented themselves with fewer titles, and less glorification. Who would suppose that under the letters M. B. F. ET H. REX, F. D. B. ET L. D. S. R. I. A. T. ET E., found on the guineas of George III., there should be couched such a crowd of dignities as — "King of Great Britain, France, and Ireland; Defender of the Faith; Duke of Brunswick and Luneburg; Arch Treasurer and Elector of the Holy Roman Empire"?

letters M and K, on the reverse of the copper, for which there is no satisfactory interpretation.

V. *STYLE OF EXECUTION.*—The encomiums of amateurs prepare us for a severe disappointment, when we come for the first time to inspect the coins of Rome. Their appearance is much below what would be expected from the reputation of Roman arts and civilization. There is, it is true, a wide diversity of skill exhibited in the die-sinking branch. Many of the heads are admirable, even to a cultivated taste and eye of modern times; and in general, as far down as to Constantine, there is a good deal of character and evident approach to a real portrait, even where the finish is rather barbarous. But the reverse side of the coin was evidently handed over to the apprentices, and, with occasional exceptions, is beneath criticism.

That Rome certainly had artists capable of exquisite engraving, we know from the long and large series of gems still extant. The inquiry, why there should be such a difference between the gems and the coins, is most probably to be solved by such an answer as this, that the *masters* of the art, imported from Greece, were but few in number, and the public taste did not exact much skill for the coinage, the principal office of which was to pass from hand to hand in barter, and not to be kept for show. It has been so almost down to our own day. The guineas and shillings of the last century, the Spanish dollars and fractions of this, are not worthy to stand as specimens of the general state of arts.

From and after the sons of Constantine, the style of execution continually deteriorates; and we are left to wonder that a people not destitute of letters could tolerate such a burlesque of coinage. Though there were but few of the emperors who were so fortunate as to transmit their throne, with their face, to a son or near relation, the portraits present a long gallery of striking similitudes. On taking up a large brass coin of the great Justinian, the oracle of lawyers, we seem to behold the visage and the workmanship of an untutored Indian.

The other and more mechanical parts of the mintage (and this will apply to Greek as well as Roman) allow of no higher praise. Unless coins are so shaped as to lie flat, and admit of being piled one upon another, and render apparent any diminution by filing or clipping, they are not well fitted for their proper uses. These objections apply very generally to ancient coins. Other faults, chargeable to the want of machinery and metallurgic skill, need not be dwelt upon. (*Manual of Coins*, p. 12.)

VI. *THE PRESENT DEGREE OF RARITY* of Roman coins is worth a passing notice. No one need suppose that there was any scarcity of such coins in their own day, and especially in the flourishing era of the earlier emperors. There was a vast population (Gibbon estimates the population of the Roman Empire at one hundred and twenty millions; in the time of Claudius) and no paper money; and yet the scale of prices was not materially different from what it is in Europe at this day. "A penny a day," that is, a denarius, is as good pay for a laborer in Switzerland, as it was in Judea. Julius Cæsar could, on a single occasion, afford a present or donative to each foot soldier, of about eight hundred dollars;



and to each equestrian four times that sum.\* Nero spent some eighty millions of dollars in this way; and when the vacant empire was put up at auction, a bid equal to eight hundred dollars to each pretorian soldier secured it to Didius Julianus.

The activity of the mints, and the variety of dies or devices for the coins, are most astonishing. There is no parallel to it in our own day. Let it suffice to say, that there are now extant, of the Emperor Commodus (A. D. 180 – 192), of such only as are considered rather rare, sixty-eight varieties of gold, sixty of silver, and a still larger number in brass; while of his successor Pertinax, who reigned but three months, there are gold coins of eight different dies, silver of twelve, and brass of seventeen. The whole catalogue of Roman dignitaries, whose coins remain to the present time, embracing emperors or “Augusti,” vice-emperors or “Cæsares,” empresses, and usurpers, numbers two hundred and seven names; counting from Julius Cæsar down to the subversion of the Eastern and Western divisions of the Empire. Of the consular or family coins there are about twenty-five hundred varieties. Altogether, from the earliest *as* to the latest *bezant*, there must be at least ten thousand different types.†

It will, therefore, occasion no surprise, that, though so many centuries have elapsed, and nearly every other monument of this wonderful empire has perished, there are coins enough remaining to make up a great many cabinets, public and private, and to form a regular market, and an established branch of trade.‡ The tariff of ancient coins is adjusted to their interest and rarity, and is as well understood and regulated as the prices in any kind of business. Formerly it was sufficient to marshal them under five or six degrees or divisions of scarceness; more modern assiduity and refinement have doubled the number. Thus we have first, V. C., very common; then C., common; then S., scarce; then R. 1, and so on to R. 8, or eighth rarity; which last distinction belongs to an *unique*, and perhaps goes as far as a quadruplicate, or one of four. The highest degree which our collection can boast, if it be worth a boast, is the sixth rarity; but it is in a very few instances.

The present degree of rarity of ancient coins, to speak in a general way, is to be inferred from the market price of the commonest kinds. Silver coins of Augustus and Tiberius, for example, if in good preservation, can be had in Europe for twice or thrice their intrinsic value; say thirty to fifty cents. The drachms of Alexander the Great, though now near twenty-two hundred years old, may be obtained in Constantinople for fifty cents, thrice the value of the silver. The copper coins of Con-

\* A prodigious outlay, if we consider the size of the army. The peace establishment of Hadrian was thirty legions, supposed to count three hundred and seventy-five thousand men; with a probable naval force of seventy-five thousand more.

† Mionnet, *De la Rareté et du Prix des Médailles Romaines*, Paris, 1827; also Akerman, an English work on the same subject, 1834.

‡ The banks of deposit possessed by the ancients were such as were likely to be broken only by the ploughshare or the railroad excavations of ages then to come. Roman coins are thus in constant course of discovery, and are found in Britain and Hindostan, as well as through the vast space between.

stantine and his sons are so abundant, that a person may supply himself with them at four or five cents a piece, or less by the quantity, and run no risk of being imposed upon with counterfeits.

But if the fancy of the amateur runs upon the rarer types, he may soon lavish a fortune. And here the writer will hazard the opinion, that there is a great deal of false taste, as well as extravagant outlay, in this particular. To tell the truth, collectors too often prize a coin less on account of its own historical, artistical, or intrinsic value, or all these combined, than on account of its mere rarity. There is a rage to possess a coin which nobody else possesses. Persons to whom this subject is new will be amazed to hear that a silver coin of Maxentius, of rare reverse, brought £ 18, or 87 dollars, at a public sale in London; and that a small gold coin of Allectus, an obscure and transient usurper in Britain (A. D. 293 – 295), concerning whom history has hardly thought it worth while to record a line, brought £ 74, or 358 dollars (Akerman, under *Maxentius* and *Allectus*); and, to crown all, that, at the famous "Trattle Sale" in 1832, a trial-piece, engraved by Thomas Simon for Charles II., "a very fine specimen," sold for £ 225, or 1,089 dollars. (Jewitt, Hand-book of British Coins. — It was in the same spirit that a copy of Boccaccio's Decameron, printed in 1471, was contended for at a London auction in 1812, by three noble lords; and was knocked off to one of them for £ 2,260, equal to *eleven thousand dollars*.) This may be regarded as suitable sport for nobles of princely fortune, in search of imaginary "gems," but certainly would do no credit to the taste and judgment of sober amateurs.

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I have ventured to depart from numismatic usage in one particular, of no great importance. The coins of Greek cities, of a date subsequent to their incorporation into the Roman Empire, and bearing little else than the imperial head and titles, have been withdrawn from the department of Greek republican coins, and placed with the Roman under their respective emperors. Their proper position would be a nice point to argue, if it were worth an argument. But (without summing up the reasons) I apprehend that the democratic taste will justify a distinction between the coin of Antioch and the silver of Athens.

The collection contains a small number of acknowledged counterfeits, nearly all of imperial coins, and all from the manufactory of Mr. Becker, of Berlin. This eminent amateur of coins has conceived and effected the project of supplying collectors with *copies* of such pieces as by their rarity and high price are hardly to be procured; and for this purpose, aided no doubt by the prospect of a lucrative trade, has caused to be engraved the vast number of 510 dies, for the coinage of 255 different specimens, chiefly antique. These are, without doubt, the best efforts at counterfeiting, and the least dishonest; but a little familiarity is sufficient to detect them, as a slight reflection is enough to reprobate them. They came to us as part of a large lot, and are retained, as showing what the originals are, and as affording facilities for acquiring the art of discrimi-

nation, a very important part of the collector's work. It is a satisfaction to know that the utmost skill of man is inadequate to the confounding of truth and error, where diligence and experience are set in opposition.\* It should be added that these pieces are mostly of the usurpers, and "emperors for a day," and therefore of little historical interest.

The copies or counterfeits by Becker are designated by *cb* in the description.

*R* is an abbreviation for *reverse*.

When the metal is not specified, it is to be understood as the same as that of the coin immediately previous.

Where the reverse has been omitted, it was to avoid repetition or unimportant detail.

## DIVISION I

### ERA OF THE REPUBLIC.†

ALL the coins of this era, except the earliest bronze, and the earliest silver, (which last are known by the simple inscription *ROMA*,) are arranged under family names. As far as known, there are about one hundred and seventy-five families represented in coins still extant, of which one hundred and twenty-six are in this collection. As an example of the mode of arrangement, the pieces which bear the names *A. Post.* (Aulus Postumius) and *C. Post.* (Caius Postumius) are placed together, under the title *POSTUMIA*. If the cognomen only is given, as in the case of *BRVTVS*, on various types of Marcus Junius Brutus, it is nevertheless referred to the well-known family name, *JUNIA*. And by the same rule, certain coins of Julius Cæsar are retained in the family *JULIA*.

The types in this series are not generally of the most common kind, and would repay the inspection of a practised numismatist. For the more general reader, we have occasionally interrupted the roll, to call attention to a specimen of historical interest.

3. *TRIENS*, or piece of four ounces, indicated by the four dots under the rude figure of a ship. Very early coinage. Bronze. 4, 5. *SEXTANS*, of two ounces. Bronze. 6. *UNCIA*, ounce. Small size. Br. 7, 8. *TRIENS*. Small. Br. 9. *SEXTANS*, of Campania. Br. 10, 11. *ROMA*, silver denarii. 12. *ROMA*, silver quinarius. 13. *ABURIA*. This and the following specimens in this division are all silver denarii, except where otherwise mentioned. 14. *ACCOLEIA*. 15, 16. *ACILIA*. 17. *ÆLIA*. 18, 19, 20. *ÆMILIA*. 21. *AFRANIA*. 22. *ALLIA*.

\* A full account of "Die Becker'schen falschen Münz Stempel" is contained in a pamphlet by Prof. von Steinbüchel, Vienna, 1836. The general price of his silver coin is 1½ florins of Austria, or 73 cents; gold pieces are from 7½ to 12 florins.

† This word is used in opposition to the *imperial* era, and in the modern sense. Even under the most grinding despotism, Rome always flattered herself with the title of "Republic." The coins of Julian celebrate the *Securitas Reipublicæ*.

**23, 24. ANNIA.** (The latter in brass.) **25. ANTESTIA.** **26. ANFLA.** **27. ANTONIA.** (The legionary coins of Mark Antony, usually placed here, have been transferred to the next division.) **28. APRONIA.** Brass. **29, 30. AQUILLIA.** R of No. 30 shows a woman kneeling before a soldier; underneath, SICIL. This commemorates the suppression of a noted revolt of the slaves in Sicily, by Manlius Aquillus.

**31. ASINIA.** Brass. **32. ATILIA.** **33. AURELIA.** **34. BCBIA.** **35, 36, 37. CÆCILIA.** **38. CÆCINIA.** Brass. **39. CÆSIA.** **40. CALIDIA.** **41. CALPURNIA.** R. A horseman riding at full speed; an ear of wheat above; legend L. PISO FRUGI. In the year of Rome 507 there was a great scarcity of food in the city, and Calpurnius Piso was despatched to Africa to purchase corn. This trivial honor is magnified by no less than one hundred and thirty varieties of denarii. **42, 43. CARISIA.** **44, 45, 46. CASSIA.** **47. CESTIA.** cb. **48. CIPIA.** **49, 50, 51. CLAUDIA.** **52. CLAUDIA.** cb. **53. CLOVIA.** Brass. **54, 55. CLOULIA.** The latter a quinarius. **56. CÆLIA.** **57. CONSIDIA.** **58. COPONIA.** **59, 60, 61. CORDIA.**

**62 - 65. CORNELIA.** **66. CREPERIA.** **67, 68. CREPUSIA.** **69. CUPIENA.** **70. CURIATIA.** **71. CURTIA.** **72. DIDIA.** **73. DOMITIA.** **74, 75. EGNATIA.** **76. EGNATULEIA.** **77. EPIA.** **78. FABIA.** **79. FANNIA.** **80. FARSOLEIA.** **81. FLAMINIA.** **82. FLAVIA.** **83, 84. FONTEIA.** **85. FUFIA.** **86. FULVIA.** **87. FUNDANIA.** **88, 89, 90. FURIA.** **91. GELLIA.** **92. HERENNIA.** **93. HORATIA.** cb. **94. HOSIDIA.** **95, 96. HOSTILIA.** In a battle with the Vientes (in the early days of the republic), the Roman troops were seized with a panic, and in his extremity Tullus Hostilius, their leader, offered his vows to Pallor and Pavor, the gods of *fear* and *trembling*. Two terrified heads display these attributes. On the reverse is the name of L. Hostilius Saserna, a descendant of Tullus, and an officer of Julius Cæsar; for this person they were evidently coined. **97. JULIA.** **98 - 101. JUNIA.** No. 98, a remarkable type, is a coin of Marcus Brutus, and commemorates the fact that his ancestor, L. Junius Brutus, was the first Consul of Rome. He is seen guarded by lictors, and preceded by a herald. **102 - 105. LICINIA.** **106. LIVINEIA.** **107. LUCILIA.** **108, 109. LUCRETIA.** **110. LURIA.** Brass. **111. LUTATIA.** **112. MÆCILIA.** Brass. **113. MÆNIA.** **114. MAIANA.** **115. MAMILIA.** **116. MANLIA.** **117 - 119. MARCIA.** **120. MARIA.** **121, 122. MEMMIA.** **123, 124. MINUTIA.** **125. MUSSIDIA.** **126. NÆVIA.** **127. NONIA.** **128. NORBANUS.** **129. NORBANUS.** cb. **130. NUMONIA.** cb. **131. OPEIMIA.** **132 - 134. PAPIA.** **135. PAPIRIA.** **136. PEDANIA.** **137, 138. PETILLIA.** **139. PETRONIA.** **140. PINARIA.** **141. PLÆTORIA.** **142. PLANCIA.** **143 - 145. PLAUTIA.** **146. POBLICIA.** **147, 148. POMPEIA.** **149, 150. POMPONIA.** **151, 152. PORCIA.** The Porcian law, declared in the year of Rome 453, exempted Roman citizens from the indignity of scourging. R of No. 152 represents a citizen protected by a magistrate from the lictor, and underneath, the word *Prævo-co*, "I appeal." (See in the New Testament, Acts xxii. 24 - 27, where the Apostle Paul availed himself of this immunity.) **153 - 155. POS-**



TUMIA. 156. 157. PROCILIA. 158. 159. QUINCTIA. 160. 161. ROSCIA. 162. RUBRIA. 163. 164. RUSTIA. 165. 166. SATRIENUS. 167. SCRIBONIA. 168. SEMPRONIA. 169. 170. SERGIA. 171-173. SERVILIA. 174. 175. SILIA. 176. SPURILIA. 177. SULPICIA. 178. 179. THORIA. 180. TITIA. 181, 182. TITURIA. *R* represents two soldiers throwing their shields upon a proscenium. The city of Rome was betrayed to the Sabines by Tarpeia, of receiving "what they wore on their left arms," intended bracelets. As soon as the city was taken, the soldiers, to vow and punish her perfidy, threw upon her their bracelets and she was crushed to death. The place was afterwards called "Tarpeian Rock." *R* of the second represents the Roman off the Sabine women. The family Tituria traced their origin to the Sabines. 183. TREBANIA. 184. TALLIA. 185-187. TALLIA. (The last is brass.) 189. VARGUNTEIA. 190. 191. VETTURIA. 192-194. VIBIA. 195. VIBIA. *cb.* VOLTEIA. 199-202. Uncertain. Two are of base metal.

## DIVISION II.

### JULIUS CÆSAR TO TRAJAN (INCLUSIVE). B. C. 49 TO A. D. 117.

I. CAIUS JULIUS CÆSAR was born in the year of Rome 654 (B. C. 100). Created Dictator after the death of Pompey and Crassus, at the age of forty, and Dictator at fifty-two. He was made Dictator for life in 44, and assassinated in the same year, aged fifty-six.

1. Gold. Head of Julius. Dict(ator) PERP(etuo). P(ompeii) (imus). *R.* Head of Caius (Octavius). 2. Silver. ÆNEAS Anchises. 3. Dictator the second time. 4. Head of Julius. Perp. Dictator. 5. Julius crowned. Perp. Dictator. 6. Instruments. *R.* Elephant. 7. Brass. JULIUS DIVOS. 8. Marcus Brutus the conspirator. Head of the elder Brutus of Pompey the Great. *R.* PIUS IMP(erator). Prow of a vessel.

II. Caius Octavius, afterwards AUGUSTUS, grand-nephew of Julius Cæsar, was born in 63 B. C. He was joined with Mark Antony and Lepidus in the government, at the death of Julius Cæsar, master of the Empire, B. C. 31; received the title of Emperor two years after; and died in A. D. 14, aged seventy-six.

11. Gold. AUGUSTUS DIVI F. IMP. X. *R.* ACT(ium). Rates that decisive battle. 12. Gold, of Sextus Pompey, commander, reduced by Augustus, B. C. 36. MAG(nus) PIUS ITER(um). *R.*, heads of Pompey the Great and Cneius. 13. CLAS(sis) ET ORÆ MARIT(imæ), "Commander of the fleet coast." Ex S. C. *cb.* 14. Silver; same as the preceding Silver of the same, different type. *cb.* 15. Mark Antony the reverse. 16. Antony; legends on both sides made up. 17. Lepidus; Cæsar on the reverse. 18. Augustus. Di. 19. The same. *R.* SIGNIS RECEPTIS. 20. Aqueduct on the

21. **R.** Horses on a triumphal arch. **IMP. CÆSAR.** 22. **R.** Pontifical instruments. **COS. ITER.** "Consul a second time." 23. **S. P. Q. R. OB CIVES SERVATOS.** 24. Fine head of Augustus, without legend. **R. DIVI F(ilius),** "the son of God," probably in reference to the deified Julius. 25. **R.** Horseman at full speed. **AUGUST.** 26. A Bull. **IMP. X.,** i. e. the title of Emperor, Emperor, conferred the tenth time. It was then merely a military distinction. 27. A quinarius. **R. ASIA RECEPTA.** 28. Brass. **R.** Within a wreath, **AUGUSTUS TRIBUNIC(ia) POTEST(ate).** 29. **DIVUS AUGUSTUS PATER.** The deceased Augustus sainted, or deified. **R. S. C. (Senatus Consulto.)** 30. Silver, of Agrippa, son-in-law of Augustus. *cb.* 31. Brass, of Agrippa. Consul third time. 32. Silver. Caius and Lucius, grandsons of Augustus. 35-54. Twenty silver coins of Mark Antony, the series struck for the respective legions under his command. The reverse shows a ship, or military ensigns, with the number of the legion, as **LEG. VI., &c.** They were probably used in payment of the troops, and otherwise served to display the power of the general. Four of the series are wanting.

III. **TIBERIUS CÆSAR,** son of the Empress Livia, was adopted by Augustus, A. D. 4, and succeeded to the Empire A. D. 14, at the age of fifty-six. While on a sick-bed, he was smothered at the instigation of Caligula, which finished a cruel reign of nearly twenty-three years. (A. D. 37.)

55. Gold. **TI. CÆSAR DIVI. AUG. F(ilius) AUGUSTUS. R. PONTIFEX MAXIMUS.** 56. The same type in silver. 57. Base silver or *potin* struck at Alexandria in Egypt; legends in Greek. 58. Large brass. An altar, with figures of Victory. 59, 60. Brass, with the usual legends, and **R. S. C.** 61. Silver, of Drusus, son of the Emperor. (Poisoned by his wife, A. D. 23.) **R.** Head of Tiberius. *cb.* 62. Brass, of Drusus. **R. S. C.** 63. Livia, mother of Tiberius. **SALUS AUGUSTA.** (Died A. D. 29, aged eighty-six.) 64. Silver. Antonia, daughter of Mark Antony, and mother of the Emperor Claudius. **ANTONIA AUGUSTA.** (Poisoned, A. D. 38, aged seventy-six.) *cb.* 65. Brass, of the same. 66. Silver. Germanicus, son of Antonia, and nephew of Tiberius, who adopted him. (Poisoned, A. D. 19, by the governor of Syria.) *cb.* 67, 68. Brass, of the same. 69. Large brass. Agrippina, sen., wife of Germanicus, and granddaughter of Augustus. (Exiled, and starved to death by Tiberius, A. D. 33, aged forty-eight.) 70. Brass. **NERO ET DRUSUS, CÆSARES.** Sons of Germanicus, and brothers of Caligula. (Nero died in exile, A. D. 30; Drusus was starved by order of Tiberius, A. D. 33.)

IV. Caius Cæsar, called **CALIGULA** (from his military dress), was adopted by his grand-uncle Tiberius; whom he succeeded, A. D. 37, at the age of twenty-five. His oppressive reign was cut short by an assassin, A. D. 41.

72. Silver. **C. CÆSAR AUG. R. S. P. Q. R. P. P. OB C. S.,** i. e. "the Senate and People of Rome, to the Father of his Country, for preserving the citizens." 73. Brass. Usual legend. **R. Vesta, seated.**

V. Tiberius **CLAUDIUS,** nephew of Tiberius, was born at Lyons, B. C. 10, and succeeded to the Empire A. D. 41. He married his niece, Agrippina the younger, A. D. 49, by whom he was poisoned, A. D. 54.

79. Gold. **TI. CLAUD. CÆSAR. AUG. P. M. TR. P. VIII. IMP. VI. R. S. P. Q., &c.** 80. Silver. Same legend; with **GERM(anicus).** *cb.* 81. Brass. **R. LIBERTAS AUGUSTA.** 82. Silver. Agrippina, wife of the

VOL. I.

30

42

Emperor, and mother of Nero. **AGRIPPINÆ AUGUSTÆ.** Head of Claudius on the reverse. (She was killed by order of Nero, A. D. 59, aged forty-three.) 83. Agrippina and Nero, face to face. *cb.*

VI. **NERO**, stepson of Claudius, was declared *Cæsar*, A. D. 50, at the age of thirteen years, and succeeded to the Empire at seventeen. Having become odious through his excesses, and hearing that a successor was elected, he slew himself, A. D. 68.

87. Gold. **NERO CÆSAR AUGUSTUS.** **R.** JUPPITER (so spelt) CUSTOS, — "Jupiter the Keeper." 88. Silver. **NERO CÆSAR.** Youthful profile.

90. Large brass. **NERO CLAUD. CÆSAR, &c.** **ROMA** on the reverse. Supposed to have been struck on the rebuilding of Rome, after the fire.

91. The temple of Janus closed. **PACE P(opulo) R(omano) TERRA MARIQUE PARTA JANUM CLUSIT.** 92. Coined at Alexandria, in Egypt. Greek. 93. Coined at Alexandria, in Cilicia. Greek.

VII. **GALBA**, born B. C. 3, was governor of Spain under Nero; created Emperor by the army and Senate, A. D. 68; murdered by the guards, after a reign of seven months, A. D. 69.

95. Gold. **IMP. SERV(ius) GALBA AUG.** **R.** S. P. Q. R., &c. 96. Silver. **R.** LIBERTAS PUBLICA. 97. Brass. Same reverse. 98. Silver. **CLODIUS MACER. PROPÆ(tor) AFRICÆ.** This provincial governor declared independence upon the death of Nero, but was reduced and put to death by order of Galba. *cb.*

VIII. **OTHO**, governor of Lusitania (now Portugal), took part in the revolt against Nero. After following in the train of Galba for a short time, he procured his death, and was proclaimed as his successor. But the Empire had to be disputed with Vitellius; and having suffered a defeat, Otho killed himself, A. D. 69, after a reign of only three months, and in his thirty-seventh year.

103. Silver. **IMP(erator) OTHO CÆSAR AUG(ustus) TR(ibun.) P(otes-tate).** **R.** SECURITAS P(opuli) R(omani). By the looks of the head, the artist seems to have aimed to confirm the historical fact that the Emperor wore a wig. 104. **R.** PONT(ifex) MAX(imus). "Sovereign pontiff." 105. **R.** VICTORIA OTHONIS. Otho was thrice victorious before his overthrow at Brixellum. No brass coins of this Emperor have come to light.

IX. **VITELLIUS**, proclaimed Emperor by the legions in Germany, was successful against Otho, and acknowledged by the Senate, A. D. 69. After eight months of gluttony, he fell by the hands of the soldiers, aged fifty-six.

111. Gold. **A(ulus) VITELLIUS GERM(anicus), IMP(erator), AUG(us-tus), TR(ib.) P(ot.)** **R.** A tripod, with a globe and dolphin on the top, and an eagle beneath; **XV VIR SACRIS FACIENDIS.** Commemorates his offering sacrifice to the shade of Nero, his patron. 112. Silver. Same as the preceding. 113. **R.** FIDES EXERCITUM. Two hands joined, in token of the *faith of the army*. 114. Heads of the two children of Vitellius. **LIBERI IMP., &c.** *cb.*

X. **VESPASIAN** was created governor of Judea by Nero, A. D. 66, and became Emperor on the death of Vitellius; died A. D. 79, in his seventieth year, having reigned ten years.

119. Gold. **IMP. CÆSAR VESPASIANUS AUG.** **R.** CONS(ul) ITER(um) TR(ib.) POT(estate). 120. Silver. **R.** Pontifical Instruments. **AUGUR. PONT. MAX.** 121. **JOVIS CUSTOS.** 122. **VICTORIA AUGUSTI.** 123. A *congius* (a dry measure of about a half-peck) with ears of wheat standing out of it. Expresses his distribution of congiaries, or gifts of corn, to the Roman populace. 124. A veiled female beside a palm-tree.

**JUDÆA DEVICTA.** Commemorates the destruction of Jerusalem, A. D. 70, by Titus. 125. Consul the seventh time. 126. Figure of Capricorn, under which sign Vespasian was born. **DIVUS AUGUSTUS VESPASIANUS.** Apotheosis of the deceased Emperor. 127. **DIVA DOMITILLA AUGUSTA.** Domitilla was married to Vespasian, A. D. 40, and died before his accession. She was afterwards deified. *cb.*

**XI. TITUS** succeeded his father, A. D. 79, at twenty-eight years. A change of character made him a good prince; but the Romans enjoyed the benefit of it only two years. His death was not without suspicion of poisoning, by Domitian.

135. Gold. **T. CÆSAR IMP. VESPASIAN. R. Cos. IIII.** (Fourth year of his consulate.) 136. Silver. **CERES AUGUST.** 137. A soldier standing on the head of a captive. 138. A statue on a pillar; usual legends. 139. Capricorn. 140. Curule chair. 141. Brass. **ÆQUITAS AUGUSTI.** 142. Brass. **CERES AUGUST.** 143. Silver. Julia, daughter of Titus, and after his death a concubine of her uncle Domitian. On the **R.** is a peacock, the emblem of female deification; which honor was conferred on her by Domitian. *cb.* 144. Brass, of Julia.

**XII. DOMITIAN**, brother of Titus, succeeded to the Empire at the age of thirty, A. D. 81, and reigned fifteen years. He fell by a conspiracy of his household; and though universally detested, received the usual honor of deification. He was the last of "the twelve Cæsars," a classification more popular than proper.

151. Gold. **CÆS. AUG. DOMIT. Cos. III. R. PRINCEPS JUVENTUTIS.** The title "Prince of Youth" was given by his father, A. D. 69. 152. Silver. **R. A** dolphin and anchor; usual titles. 153. Copy of an equestrian statue. 154. Victory holding a buckler. 155. Cos. **XIII. LUD(os) SÆC(ulares) FEC(it).** Alludes to his celebration of the secular games. 156. Brass. The same subject. Priest and musicians. 157. Silver. Domitia, wife of the Emperor.

**XIII. NERVA** was called to the Empire by the Senate, in his sixty-fourth year, A. D. 96. His virtuous but feeble administration was strengthened by the association of Trajan. After a reign of two years only, he was allowed the distinction of dying a natural death, and was voted a deity. A. D. 98.

159. Gold. **IMP. NERVA CÆS. AUG. P(ontifex) M(ax.) TR(ib.) POT(estate). R. Pontifical instruments. Cos. III. PATER PATRIÆ.** 160. Silver. The same type. 161. **ÆQUITAS AUGUST(i).** 162. **FORTUNA AUGUST(i).** 163. Two hands joined. **CONCORDIA EXERCITUM.** Expresses the ratification by the army of his election; now more important than the voice of the Senate. 164. Brass. The same type.

**XIV. TRAJAN**, born in Spain, A. D. 53, succeeded Nerva, A. D. 98, and reigned nineteen and a half years. His military exploits, his energy, and leniency (except toward the Christians) endeared him to the Romans as the best of all their emperors, and they early conferred on him the title of **OPTIMUS PRINCEPS**, which appears on most of his coins. Died in Cilicia, A. D. 117.

167. Gold. **IMP. TRAIANO OPTIMO AUG. GER(manicus), DAC(icus), P(ont.) M(ax.) TR. P(otest.) R. Cos. VI. P(ater) P(atriæ) S. P. Q. R.** Germany and Dacia were among his conquests. 168. Silver. Three military ensigns. "The Senate and people of Rome, to the best prince." 169. **R.** Ceres, with legend as above. 170. Equestrian statue. 171. Victory, writing on a shield. 172. **PARTHICO, P. M., &c.** Expresses his victories in Persia. 173. Front of the Forum, a superb building erected by Trajan. *cb.* 174. The Emperor on a throne, with attendants, assigning kingdoms to three persons below and before him. **REGNA**



ADSIGNATA. *cb.* 175. PARTHICO DIVI TRAIAN, &c. 176. Victory. (A quinarius.) 177. Large brass. A crowd of titles in the legends. 178. Gold. Plotina, wife of Trajan. (Died A. D. 129, and was one of the few empresses *sans reproche*.) *R.* Vesta seated. *cb.* 179. Silver. Marciana, sister of Trajan. *R.* CONSECRATIO. *cb.* 180. Gold. Matidia, daughter of Marciana, and mother-in-law of the Emperor Hadrian. Plotina on the *rev.* *cb.* 181. Brass. Greek coin of Trajan and Plotina (Perinthus in Thrace).

### DIVISION III.

#### HADRIAN TO ELAGABALUS. A. D. 117 - 222.

XV. HADRIAN, through the management of the Empress Plotina, succeeded upon the death of Trajan, A. D. 117. He is noted as the travelling emperor; his long and prosperous reign being spent in marches and journeys to all parts of the Empire. His coins, which are numerous, afford a medallion history of his life. Died in his seventy-second year, and twenty-second of his reign, A. D. 138.

1. Gold. HADRIANUS AUG. COS. III. Pater Patriæ. *R.* LIBERALITAS AUG(usti). The Emperor was liberal in largesses to the people. 2. Silver. *R.* AFRICA. A female figure, representing Africa, recumbent, commemorates his visit there. 3. HISPANIA. Figure of Spain, recumbent. 4. RESTITUTORI HISPANIÆ. The Emperor raising a female (Spain) from the ground. 5. ÆGYPTOS. Emblems of Egypt.

6. NILUS. The god of the Nile, recumbent. 7. RESTITUTORI GALLIÆ. The Emperor raising prostrate Gaul. 8. Ceres. 9. COS. III. Moon and star. 10. The Emperor marching before three soldiers. DISCIPLINA AUG(usti). The army in Germany becoming relaxed in discipline, the Emperor visited them, and inured them to hardships by his own example. *cb.* 11. Brass. *R.* HILARITAS P(opuli) R(omani). A female, holding a stalk of wheat; citizens at her feet. The "hilarity" of the ancient lazzaroni depended very much on the supplies of corn, drawn from the industrious provinces. 12. SALUS AUGUSTA. A female making offerings to a serpent, in behalf of the Emperor's health.

13. Silver, of Sabina, wife of Hadrian. *R.* VENERI GENETRICI. 14. SABINA AUGUSTA, HADRIANI AUG. *R.* CONCORDIA AUG. Commemorates the making up of a quarrel between the Emperor and his wife. They lived so unhappily that she destroyed herself, after a union of thirty-seven years. A. D. 137. 15. Silver, of Ælius Cæsar. He was adopted as Hadrian's successor, but died before him, A. D. 138. 16. Base silver. HAΔPIANOC CEB. Hadrianus Augustus. Coined at Cesarea in Cappadocia.

XVI. ANTONINUS PIUS succeeded Hadrian, by whom he had been adopted, A. D. 138, and reigned twenty-three years. In contrast to the policy of his predecessor, he never travelled farther from Rome than to his villa; but the vast empire was governed with unexampled wisdom and mildness, and it was an age of peace and plenty. His devotion to the gods, and to the memory of his patron, early procured him the surname of PIUS; which became a standing title to all succeeding emperors. The *Christian* religion was openly tolerated. He died A. D. 161, in his seventy-fifth year, universally lamented.

22. Gold. ANTONINUS AUG. PIUS. P. P. *R.* TR. POT. COS. II.

23. Silver. **R.** ITALIA. A woman sitting on a globe. 24. **R.** The youthful head of Aurelius, who was adopted at the age of seventeen, A. D. 138. 25. **R.** Aurelius more advanced. 26. **R.** A female at an altar. PIETAS. 27. DIVUS ANTONINUS. **R.** CONSECRATIO. 28. **R.** A funeral pile. CONSECRATIO. 29. **R.** An altar. Divo Pio. The honor of deification was eagerly conferred by the Senate. 30. Large brass. **R.** Same as No. 12. 31. Brass. **R.** Romulus and Remus sucking the wolf. 32. Gold. DIVA FAUSTINA. Deification of the elder Faustina, wife of Antoninus; born A. D. 105, died 141. 33. Silver. Faustina veiled; DIVA FAUSTINA. **R.** AETERNITAS. 34. **R.** JUNONI REGINÆ. 35. **R.** AUGUSTA. 36. DIVA FAUSTINA PIA. **R.** A peacock; CONSECRATIO. 37. Brass. **R.** CONSECRATIO. These and other types show the honors paid by the good Emperor to her memory, though while living she occasioned him no little grief and scandal. 38. Brass. Greek coin of Antoninus; Laodicea.

XVII. MARCUS AURELIUS Antoninus, and LUCIUS VERUS, brothers-in-law, who had been of the rank of *Cæsars* for twenty-three years, succeeded A. D. 161, as *Augusti*, colleague Emperors. Though the former was a Stoic philosopher, and the latter a debauchee, they lived without discord, and (as their coins show) were much engaged with the barbarians. The immense Empire was now beginning to tremble with its own weight. Verus died 169, in his fortieth year. Marcus ruled alone for eleven years more, and died at the age of fifty-nine. He was greatly esteemed for his virtues; and "the age of the Antonines" is justly esteemed as a bright one in Roman history.

43. Gold. AURELIUS CÆSAR AUG. PII. F. **R.** TR. POT. III. COS. II. 44. Silver. The same legends. 45. ANTONINUS AUG. ARMENIACUS. **R.** A female on the ground, personifying captive Armenia. 46. **R.** Victory holding a shield, with the motto VIC. PAR. Records the success of the Romans in Parthia. 47. Brass. **R.** A trophy, and two captives seated; DE SARM. The victory over the Sarmatians. 48. PROFECTION AUG. Emperor on horseback. 49. Silver. FAUSTINA AUGUSTA. **R.** A female with an infant in her arms, and two other children at her feet; FECUND(itas) AUGUSTÆ. She was the daughter of Antoninus Pius, and wife of Marcus; died A. D. 175. Her dissolute life could not exempt her from deification. 50. **R.** SÆCULI FELICIT(as). "The happiness of the age." 51. A fine head of this handsome woman. **R.** CONCORDIA. 52. Brass. **R.** LÆTITIA. 53. Silver. L. VERUS AUG. ARMENIACUS. **R.** Sundry usual titles. 54. L. VERUS ARM. PARTH. MAX. (The two Emperors were somewhat disposed to conquer per alium, and triumph in persona.) 55. DIVUS VERUS. **R.** CONSECRATIO. 56. Silver, of Lucilla, daughter of Marcus, and wife of Verus. **R.** VOTA PUBLICA. 57. **R.** DIANA LUCIFERA.

XVIII. COMMODUS, son of Marcus Aurelius, was admitted to the rank of *Cæsar*, at five years of age, and of *Augustus* at sixteen; and succeeded to the Empire in 180, at nineteen years. He gloried chiefly in fighting as a gladiator in the public games, and assumed the name of Hercules. An end was put to his cruelties by assassination, A. D. 192.

64. Gold. M. COMMODUS ANTON(inus) AUG. PIUS. **R.** The customary titles. 65. Silver. **R.** HILARITAS. 66. The usual titles. 67. L. ÆL(ius) AUREL(ius) COMM(odus). **R.** The club of Hercules; HERCULO ROMANO AUGU(sto). 68. Brass. **R.** Sacrificial instruments; PIETAS AUG. Records the piety of Commodus. 69. Gold. CRISPINA AUGUSTA. **R.** VENUS FELIX. This Empress was banished for gross misconduct,

and afterwards put to death, 183; and was even refused an apotheosis. *cb.* 80. *R.* An altar; DIS GENITALIBUS.

XIX. PERTINAX, the son of a wood-chopper, rose to the highest posts in the army and state, and was declared Emperor upon the death of Commodus, A. D. 192. His virtues were conspicuous; but the iron age of Rome had commenced, and a good ruler could scarcely keep his place. He was murdered by a few soldiers, after a reign of three months, and in his sixty-sixth year.

78. Gold. IMP. CÆS. P. HELV(IVS) PERTIN(AX) AUG. *R.* PROVID(ENTIA) DEOR(UM). Cos. II. 79. Same legends as the gold. *cb.* 80. Brass. Same legends.

XX. DIDIVS JULIANUS, a wealthy citizen of Rome, hearing that the army had offered the Empire at public sale, ran to the camp and outbid a competitor. He was acknowledged by the Senate; and, on the approach of Severus, was deposed and beheaded by the same authority, after a reign of two months, and at sixty years of age, A. D. 193.

85. Gold. IMP. CÆS. M. DID. JULIAN. AUG. *R.* P. M. TR. P. Cos. 86. Silver. *R.* RECTOR ORBIS. The Emperor holding a globe. *cb.*

87. Manlia Scantilla, Empress. *R.* JUNO REGINA. "Juno, the Queen." 88, 89. Didia Clara, daughter of Julian. *R.* HILAR(ITAS) TEMP(ORUM). The "hilarity of the times" was precarious and intermittent. (89, *cb.*) 90. The same type in brass.

XXI. SEPTIMIUS SEVERUS, a native of Africa, and commander in Germany, was proclaimed Emperor by his legions, on hearing of the death of Pertinax; and, marching to Rome, received the honours of the Senate. He was successful against two powerful competitors, and reigned eighteen years, dying at York, in Britain, A. D. 211, at the age of sixty-five. His surname expressed his character, — *severus*, and caring little for the opinion of others; yet, on the whole, such a ruler as the times required.

93. Silver. SEVERUS PIUS AUG. *R.* A female seated on a lion; INDULGENTIA AUG(USTI) IN CARTH(AGINEM). The occasion was his investing Carthage with peculiar privileges. 94. *R.* RESTITUTOR URBIS. "Restorer of the city." Severus built temples, and restored the secular games in Rome. 95. *R.* Trophy and captives. Legend imperfect.

96. Brass. Usual titles in the legend. 97. Silver, of Julia Domna, wife of Severus. *R.* VENUS GENETRIX. 98. *R.* MATER DEUM. 99. *R.* JUNO. 100. VESTA. 101. Brass, of Julia. MATER DEUM. 102. Greek coin (brass), of Severus; Corcyra, now Corfu. 103. The same; coined at Cesarea, in Cappadocia.

PESCENNIUS NIGER, and CLODIUS ALBINUS, the former governor in Syria, the latter in Britain, started with Severus in the race for the Empire, with powerful armies to back them. Niger was subdued in one year, and Clodius in four, after an obstinate conflict.

104. Gold. IMP. CÆS. C. PESC(ENNIUS) NIGER JUSTUS AUG. *R.* CONCORDIA, P. P. *cb.* (The original of this was unique, and was stolen from the cabinet of the King of France, with other pieces; and has no doubt been melted down. It is proper to add, that, on account of the P. P., to which Niger was not entitled, the original itself was suspected.)

105. Silver. *R.* FORTUNA REDUCI. 106. Moon and stars. SECVLI FELICIT(as). *cb.* 107. Greek coin of Niger. *cb.* 108. Same, in brass. *cb.* 109. Silver. D. CLOD. SEPT. ALBIN(us) CÆS. 110. *R.* MINER(VA) PACIF(ERA). Cos. II. 111. Brass, of Clodius. *R.* Illegible.

XXII. CARACALLA and GETA, sons of Severus, succeeded as joint Emperors, A. D. 211. Their mutual hatred ceased only upon the murder of Geta, in the next year; and Caracalla acted the tyrant alone, for five years longer. He died by the hand of one of his soldiers, at the instigation of Macrinus, while on the march into Persia, A. D. 217, aged thirty years. (*Caracalla*, being a nickname only, never appears on the coins; the true name of this Emperor was Marcus Aurelius Antoninus.)

113. Silver. IMP. ANTONINUS AUG. R. JOVI CONSERVATORI. "To Jupiter the Preserver." 114. ANTONINUS PIUS AUG. BRIT(annicus). R. PROPECTIO AUG(usti). Caracalla was with the army in North Britain; and figures in Ossian, as "Caracul." 115. ANTONINUS PIUS AUG. GERM(anicus). A quiet retreat through Germany brought him this victorious surname. 116. R. LÆTITIA PUBL(ica). "The public joy."

117. R. VICTOR(ia) ANTONINI AUG. (These four are large denarii, which began to be coined in this reign.) 118. Brass. Usual titles, in the legend. 119. Silver. PLAUTILLA AUGUSTA. (Plautilla was married to Caracalla, A. D. 202; afterwards exiled, and put to death A. D. 212.)

120. R. VENUS VICTRIX. 121. R. The Emperor and Empress joining hands; PROPAGO IMPERI. 122. Brass, of Plautilla. PIETAS AUG.

123. Silver. GETA CÆS(ar) PONT. Cos. R. VOTA PUBLICA. R. PRINC(eps) JUVENTUTIS. (These two were coined before Geta became Emperor.) 124. SEPT. GETA PIUS AUG. BRIT(annicus). R. Usual titles. 125. Brass, of Geta. PONTIF. Cos. II. 126. Greek coin (brass), of Caracalla, struck at Byzantium.

XXIII. MACRINUS having, for his own safety, procured the murder of Caracalla, was deliberately elected Emperor by the army in Syria, A. D. 217. He was killed the next year, after suffering a defeat by Elagabalus.

127. Silver. IMP. C(æsar) M(arcus) OPEL(ius) SEV(erus) MACRINUS AUG. R. FIDES MILITUM. "Faith of the soldiers." 128. ÆQUITAS AUG(usti). "Equity of the Emperor." 129. Brass. R. The Emperor in a quadriga, or car with four horses. 130. Silver, of DIADUMENIANUS, son of Macrinus; created Cæsar and afterwards Augustus, at nine years; shared the fate of his father. *cb.* 131. Brass. R. PRINC. JUVENTUTIS.

XXIV. ELAGABALUS, or Heliogabalus, a boy-priest in the Temple of the Sun, in Syria, and of distant relation to Caracalla, was commended by his mother to the Roman soldiery there, as a son of that Emperor, and by them proclaimed, in opposition to Macrinus. His faction having succeeded, the youth was acknowledged by the Senate, and reigned about four years. He was killed A. D. 222, at the age of about eighteen years, after a course of debauchery and cruelty that is scarcely credible. His real name was Avitus Bassianus, and his imperial name Marcus Antoninus; but he is only known by the designation above, which was the Syrian title of the Sun, as the deity.

135. Silver. IMP. ANTONINUS PIUS AUG. R. The Emperor sacrificing; INVICTUS SACERDOS AUG. "The unconquered priest, Emperor." 136. R. The Emperor on horseback. PROF(ectio). Probably his "march" to Rome. 137. R. SACERDOS SOLIS ELAGAB(ali) dei. He gloried in this character, and introduced the worship of the Sun at Rome.

138. Large silver. R. SALUS ANTONINI AUG. 139. Brass. The Emperor in a car. Consul IIII. 141. Large silver. JULIA MÆSA AUG. The grandmother of Elagabalus, and by him created a member of the Senate. R. PIETAS AUG. 142. Silver, of Julia Mæsa. R. PUDICITIA.

143. The same. R. FECUNDITAS. 144. JULIA SOÆMIAS AUG. R. VENUS CÆLESTIS, Julia Soæmias was the mother of the Emperor, and was killed at the same time with him. 145. JULIA PAULA AUG. R. The Emperor and Empress joining hands. CONCORDIA. She was the first wife of Elagabalus, and repudiated in about a year, notwithstanding this "concord." 146. Paula, with Elagabalus on the reverse. *cb.*

147. JULIA AQUILIA SEVERA. R. CONCORDIA. A vestal virgin, taken by Elagabalus as his second wife; repudiated to make room for a third,

but afterwards recalled. 148. Greek coin, brass, of Elagabalus; struck at Marcianopolis, in Mæsia. 149. Same; struck at Nice, in Bithynia.

# DIVISION IV.

## SEVERUS ALEXANDER TO CLAUDIUS GOTHICUS. A. D. 222 - 270.

XXV. SEVERUS ALEXANDER, the cousin of Elagabalus, and adopted by him, succeeded A. D. 222, at the age of seventeen, and reigned thirteen years. The downward course of things was somewhat retarded by this wise and virtuous administration; but was renewed by the barbarous murder of the Emperor, and the elevation of the chief conspirator.

1. Silver. IMP. ALEXANDER PIUS AUG. **R.** SPES PUBLICA. 2. **R.** MARS ULTOR. "Mars, the Revenger." 3. IMP. C. M. AUR. SEV. ALEXAND. AUG. **R.** Usual titles. 4. Brass. **R.** The Emperor in a car. Usual titles. 5. Silver. SALL(ustia) BARBIA ORBIANA AUG. The Emperor on the *rev.* She was the wife of Alexander. *cb.*

6. **R.** CONCORDIA AUGG. 7. Brass, of the same. CONCORDIA AUGUSTORUM. 8. Silver. JULIA MAMÆA. AUG. **R.** FELICITAS PUBLICA. She was the Emperor's mother, and influential in the government. Killed with him. 9. **R.** VENUS VICTRIX. 10. **R.** A female holding an infant. VENERI FELICI. 11. **R.** VESTA. 12. Brass. FELICITAS PUBLICA. 13. Brass, Greek, of Alexander. Byzantium.

XXVI. MAXIMIN I., the Thracian giant, succeeded the prince whose murder he had procured. His successes against the Germans could not atone for his cruel temper, and the Romans declared for Gordian and his son, who had assumed the purple in Africa. They were quickly subdued by the forces of Maximin: but, in marching for Rome to encounter a new pair of Emperors, he was murdered by his own soldiers, A. D. 238. He had reigned three years, and was aged sixty-five.

15. Silver. IMP. MAXIMINUS PIUS AUG. **R.** PAX AUGUSTI. 16. **R.** VICTORIA GERM(anica). 17. **R.** FIDES MILITUM. Perhaps alludes to his rescue by the soldiers, when he was sticking fast in a marsh, in Germany. 18. Brass. **R.** SALUS AUGUSTI. 19. **R.** Military standards.

20. Same **R.** as No. 17. 21. Silver. DIVA PAULINA. **R.** A peacock carrying the deceased Empress to heaven. CONSECRATIO. There was some ground for this compliment. 22. JUL(ius) VERUS MAXIMUS CÆsar). **R.** PIETAS AUG. This prince was of an opposite disposition to his father, but shared his fate, A. D. 238. 23. Brass, of the same. **R.** PRINCIPI JUVENTUTIS.

XXVII. BALBINUS, a senator, and PUPIENUS, a soldier, both advanced in years, were chosen in Rome to succeed the two Gordians, while Maximin was still living. His defeat confirmed them in the Empire, which they governed wisely; but a mutiny of the soldiers brought them to a violent end, after reigning only about a year, A. D. 239.

29. Large silver. IMP. CÆS. D(ecimus) CÆL(ius) BALBINUS AUG. **R.** Two hands joined; PIETAS MUTUA AUGG. "The devotion of the Emperors to each other." 30. **R.** PROVIDENTIA DEORUM. *cb.*

31. IMP. CÆS. M(arcus) CLOD(ius) PUPIENUS AUG. **R.** Two hands joined; PATRES SENATUS (which may mean the Emperors, as "fathers of the Senate," or the Senate, as "the conscript fathers").

32. Small silver of Pupienus. VICTORIA AUGG. *cb.* 33. Brass, of Pupienus. Legend imperfect.

XXVIII. GORDIAN III., a youth of only fifteen years, succeeded to the Empire by common consent, and his reign displayed courage and moderation. He was undermined, however, by the arts of Philip, the Pretorian Prefect; and the support of the army being withdrawn, he was easily cut off, A. D. 244, having reigned six years.

36. Small silver. Youthful head. IMP. GORDIANUS PIUS FEL(ix) AUG. *R.* Usual titles. 37. Large silver. *R.* LÆTITIA AUG. N. 38, 39. *R.* JOVI STATORI. Figure of Jupiter Stator. 40. *R.* SÆCULI FELICITAS.

41. ORIENS AUG. The Emperor flattered as the "rising sun." 42. JOVI CONSERVATORI. "To Jupiter the Preserver." 43. MARS PRO-PUG(nator). "Mars, the Champion." 44. Usual official titles.

45. L. Brass. SECURITAS PERPET(ua). 46. As No. 38. 47, 48. Silver, of Sabina Tranquillina, Empress; married to Gordian in 241. (No. 48, *cb.*; No. 47 doubtful.)

XXIX. PHILIP, an Arab chief, afterwards a Roman general, proved an excellent ruler, notwithstanding the base means of his promotion; and was in high esteem with the Senate and people. His son, Philip II., though but a child, was associated in the Empire. Their reign, with their lives, was cut short by the successful revolt of the army in Panonia (Austria) under Decius. Philip was killed, A. D. 249, in his forty-sixth year, and sixth of his reign. The younger Philip was aged thirteen.

50. Small silver. IMP. M(arcus) JUL(ius) PHILIPPUS AUG. *R.* The Emperor on horseback; ADVENTUS AUGG. "Arrival of the Emperors." 51. Large silver. *R.* SECURIT(as) ORBIS. "The safety of the world." 52, 53, 54, 55. *R.* SÆCULARES AUGG. These coins severally bear on the *rev.* a lion, a stag, a goat, and a column with Cos. III.; and another, of the Empress, bears a hippopotamus. The secular games were celebrated with magnificence, A. D. 247, and third year of Philip, as being the 1000th year of Rome, by the computation of Varro. Other coins of the same date (not in this collection) bear the legend MILLIARUM SÆCULUM, the "millennium" of Rome. 56. *R.* ÆQUITAS AUGG.

57. VIRTUS AUG. 58. An elephant and his rider; ÆTERNITAS AUGG. 59. Base silver. Greek coin of Philip; Antioch in Syria. 60. Brass. *R.* A stag; SÆCULARES AUGG. 61. FELICITAS TEMP(orum). "The happiness of the times." 62. Large silver. OTACIL(ia) SEVERA AUG. *R.* PIETAS AUGUSTÆ. She was married to Philip some years before he became Emperor, and survived him a very short time. She was of pure character, and is said to have professed the new religion, and to have caused her son, the younger Philip, to be baptized. The Emperor was not (as some have affirmed) the first Christian Emperor, but he suppressed the persecutions. 63. Otacilia. *R.* SÆCULARES AUGG. A hippopotamus, with open mouth. The display of wild animals formed a part of these games. 64. Brass. MARCIA OTACIL(ia) SEVERA. *R.* PIETAS AUGUSTÆ. 65. Large silver. M. JUL. PHILIPPUS CÆS. *R.* The young Philip holding a globe and spear; PRINCIPI JUVENT(utis).

66. Base silver. Greek coin of the younger Philip; Antioch in Syria. 67. Brass, of the same. *R.* Imperfect. 68. The same. SÆCULARES AUGG. Cos. II. 69. Large silver. IMP. TI(berius) CL(audius) MAR(ius) PACATIANUS AUG. *R.* SALUS AUGG. The name of this usurper is not found in history, but he is referred to this date by another legend (not in this collection), ROMÆ ÆTER. AN. MILL. ET PRIMO. "Year 1001

of eternal Rome." His coins are found only in France. This is one of several instances in which Roman coins discover the omissions of historians. *cb.* 70. Pacatianus. *R.* Hercules in conflict with the lion; VIRTUS AUG. "Courage of the Emperor." *cb.*

XXX. TRAJAN DECIUS, sent to suppress a mutiny in Panonia, placed himself at the head of it; and having vanquished his master, was acknowledged as Emperor. His reign of two years was spent in warring against the Goths and destroying the Christians; the former of whom had become formidable to the state, as the latter had to the state religion. He fell in battle A. D. 251, aged sixty years.

71. Gold. IMP. C. M. Q. TRAIANUS DECIUS AUG. *R.* A figure holding an ensign; GENIUS EXERC. ILLYRICIANI. The Illyrian army promoted him. 72. Silver. ADVENTUS AUG. His arrival at Rome.

73. DACIA. The battle-ground. 74. GEN. ILLYRICI. 75. Brass. PAN-  
NONIA. 76. *R.* As No. 71. 77. Gold. HER(ennia) ETRUSCILLA AUG.  
*R.* PUDICITIA AUG. This Empress is known only by her coins, and by  
an inscription. 78. Silver; same rev. 79. Brass; same rev.

80. Greek coin of Etruscilla. *R.* SAMION. Island of Samos. 81. Sil-  
ver. Q. HER(ennius) ETR(uscus) MES(sius) DECIUS NOB(ilis) C(æsar).  
This prince perished in battle with his father. 82. Brass, of the same.

83. Silver. CN. VALENS HOSTILIANUS QUINTUS AUG. This prince  
survived his father, was made colleague to Gallus, and died in a few  
months, either of plague or poison. 84. *R.* SECURITAS AUGG. (This  
legend seems a sarcasm upon the times, and especially upon this  
prince.)

XXXI. GALLUS, commanding on the Danube, was proclaimed by his army, and elected by the  
Senate, successor to Decius. A precarious peace was purchased of the Goths; but the Empire was  
afflicted with plague and famine. Gallus was killed by his own soldiers when about to march against  
Æmilian, A. D. 254; having reigned less than three years; and aged forty-seven.

85. Silver. IMP. C. C. VIB. TREB(onianus) GALLUS AUG. *R.* LIBER-  
TAS PUBLICA. 86. *R.* APOLL(ini) SALUTARI. (An appeal to Apollo, the  
god of physic, to stay the plague.) 87. *R.* VICTORIA AUGG.

88. Brass. *R.* VIRTUS AUGG. 89. Greek coin of Gallus. Antioch  
in Syria. 90. Silver. IMP. CÆS. VIB. VOLUSIANUS AUG. *R.* CONCOR-  
DIA AUGG. Volusian was associated with his father in the Empire, and  
perished with him. 91. *R.* As No. 88. 92. Brass. *R.* Same as pre-  
ceding. 93. Silver. IMP. ÆMILIANUS PIUS FELIX AUG. *R.* SPES PUB-  
LICA. Æmilian, a Moor by birth, and governor of Mæsia, having suc-  
cessfully resisted a Persian invasion, was proclaimed Emperor by his  
troops, and was acknowledged after the death of Gallus, but survived  
his elevation only three months. 94. Silver. C. CORNELIA SUPERA  
AUG. *R.* JUNO REGINA. This lady, wife of Æmilian, is known only by  
her coins. *cb.* 95. *R.* VESTA. *cb.*

XXXII. VALERIAN, of illustrious family and pure character, was promoted to the Empire upon the  
fall of Gallus and Æmilian, A. D. 254, being then sixty years of age. His troubled reign was terminated  
in 260, by his being taken prisoner by the King of Persia, in whose hands, after much cruel treatment,  
he died.

99. Silver. IMP. C. P. LIC(inius) VALERIANUS AUG. *R.* VICTORIA  
AUGG. 100. ORIENS AUG. 101. DIVI MARINIANA. Wife of Valerian.  
*R.* A peacock, bearing the departed spirit. CONSECRATIO. 102. *R.*  
Peacock, with wings outspread. CONSECRATIO. 103. Brass; same as  
the preceding. 104. Greek coin, brass, of Valerian; Tarsus in Cilicia.

**XXXIII.** GALLIENUS was adopted into the Empire A. D. 251, at the age of thirty-six; and became sole Emperor upon the captivity of his father, an event which gave him no concern. In this reign, "heaven and earth seemed to concur in heaping afflictions upon the Empire." Usurpers seized upon the fairest provinces, and maintained their ground; the barbarians grew bolder in their irruptions; and the plague, raging everywhere and lingering for years, cut off a vast proportion of the people. Gallienus allowed nothing to interfere with his ease and pleasures, except a campaign against the Germans, and another against a rebel general, in which he perished, A. D. 268.

107. Silver. GALLIENUS P. F. AUG. **R.** VICT(oria) GERMANICA.  
108. **R.** GERMANICUS MAX(imus). 109. A quinarius. VICTORIA AUG.  
*cb.* 110. Divo Pio. Head of Antoninus Pius. (Gallienus caused the issue of a series of coins in billon, bearing the heads of his most eminent predecessors. There is a vast variety of dies in this reign, without any improvement in the art.) 111. Small brass. **R.** JOVI CONSERVATORI. 112. Billon, of Salonina, Empress. 113. **R.** VENUS FILIA.  
114. Brass. VESTA. 115. Billon, of Saloninus Valerian, son of Gallienus. **R.** PRINC. JUVENT. 116. **R.** PIETAS AUG. 117. Quinarius. Same reverse. *cb.* 118. A boy riding a goat. JOVI CRESCENTI.  
119. Brass, of the same. **R.** A funeral pile.

**USURPERS.** During the feeble reign of Gallienus, the purple was assumed by about twenty generals, in different parts of the Empire. Most of these were soon overthrown; but there were two extensive monarchies which stood out against Gallienus and his immediate successor. The first, created by the famous Zenobia, Queen of Palmyra, included Syria and Egypt, and lasted six years, 267-73. The other, originated by Postumus, was composed of Gaul, Spain, and Britain, and continued fifteen years, 258-73. All these provinces were eventually restored to Rome by the bravery and address of Aurelian.

POSTUMUS, Governor of Gaul, assumed the title of Emperor, 258; was killed by his troops, 267.

VICTORINUS, a general of Postumus, was associated with him, 265; and was also killed by his soldiers, 267.

LÆLIANUS, competitor of Postumus, was also killed by his own troops.

MARIUS, successor to Victorinus, was killed almost as soon as crowned.

TETRICUS, a Senator, and Governor of Aquitaine, succeeded to this monarchy, and reigned undisturbed six years. In 273, he abdicated with his son; and both retired to Rome for the remainder of their lives. A vast variety of coins was issued by these Emperors, or Usurpers.

120. Plated brass, or copper. IMP. C. POSTUMUS P. F. AUG. **R.** Hercules and Postumus, face to face. FELICITAS AUG. 121. Base silver. Front, face of Postumus. **R.** INDUL(gentia) PIA POSTUMI AUG. *cb.* It is uncertain what this "pious indulgence" was. 122. Profile; same **R.** *cb.* 123. Billon. SÆCULI FELICITAS. 124. A quinarius. VICTORIA AUG. *cb.* 125. Billon, or copper; same **R.** 126. PAX AUG.

127. Plated brass. **R.** VIRTUS AUG. 128. **R.** JOVI PROPUGNATORI. 129. Large brass. Heads of Postumus and Hercules side by side, and on the reverse, face to face. *cb.* 130. Plated brass. A woman recumbent, personifying the Rhine; SALUS PROVINCiarUM. "Safety of the provinces." 131. Silver. IMP. C. VICTORINUS P. F. AUG. **R.** VIRTUS AUG. *cb.* 132. Brass, or copper. **R.** PROVIDENTIA AUG.

133. **R.** PAX AUG. 134. Silver, of Marius. **R.** CONCORDIA MILITUM. *cb.* 135. **R.** SÆ(culi) FELICITAS. *cb.* 136. Silver, of Lælianus. **R.** TEMPORUM FELICITAS. *cb.* 137. Gold, of Tetricus the elder. Usual titles. *cb.* 138. Silver. **R.** PAX ÆTERNA. *cb.* 139. Heads of Tetricus senior and junior. **R.** ÆTERNITAS AUGG. *cb.* 140. Copper, of Tetricus senior. PIETAS AUG. 141. SALUS AUG. 142. Gold. C. PES(uvius) TETRICUS CÆSAR. **R.** SPES AUGG. *cb.* 143. Silver. Same reverse. *cb.* 144. Copper. **R.** PIETAS AUGUST(orum). Sacrificial utensils. 145. **R.** SPES PUBLICA. 146. **R.** PRIN. JUVENTUTIS.



**XXXIV.** **CLAUDIUS II.**, surnamed **GOTHICUS**, succeeded Gallienus, as the dying choice of that prince, and with the consent of the army and Senate. By a brave onset he repulsed the daring Goths, which gained him the above surname. Two years after his accession, and at the age of fifty-five, he was carried off by the plague, A. D. 270.

148. Gold. **IMP. CLAUDIUS PIUS FELIX AUG. R. VICTORIA AUG.**  
 149. Silver. **R. PAX EXERC(ituum). cb.** 150. Small brass. **FIDES EXERCIT.** 151. **R. LETITIA.** 152. Silver, of **QUINTILLUS**, brother of Claudius, who assumed the Empire upon his death, but retained it only a few days. 153. Small brass, of the same.

## A PRACTICAL TREATISE ON BANKING.

By **J. W. GILBART, F. R. S.,**

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### SECT. VIII. THE MORAL AND RELIGIOUS DUTIES OF BANKERS.

Continued from page 313, October No.

WHILE we maintain, in the words of our motto, that "property has its duties as well as its rights," we maintain, with equal firmness, that property has its rights as well as its duties; and they who disregard its rights have no claim on the performance of its duties. But though the rights of property are as sacred as any other rights (Mark x. 19), yet they are the first to be disregarded among an immoral or an irreligious population. As a portion of the property class, therefore, public companies should support the extension of moral and religious principles, as a means of securing the safe and quiet enjoyment of their possessions. The maintenance of the public worship of God is one means of extending the knowledge and influence of these principles.

Public companies should not only give to all their servants the means of attending public worship, but they should also contribute towards its support in the district in which their operations are carried on. The houses and the lands they occupy, if not held by them, would probably be occupied by others who would thus contribute. It is, therefore, as much their duty as it is the duty of the other parishioners to provide the means of religious instruction for their neighbors. Contributions towards this object may not only be a suitable way of performing the duty to which we have referred, that of acknowledging their obligations to the Divine Being, and of extending those principles by which their own property is rendered more secure, but also of promoting the piety, and consequently the happiness, of all the members of the community, and of discharging a duty to which is distinctly attached the promise of temporal prosperity.

"Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, said the Lord of Hosts, if I will not open you the win-

dows of Heaven, and pour you out a blessing, that there shall not be room enough to receive it." Mal. iii. 10.

Another religious duty is to reverence the Sabbath-day.

Viewed only with reference to the present life, the institution of the Sabbath-day is one of the greatest blessings that religion has conferred upon man : —

"Remember the Sabbath-day to keep it holy : in it thou shalt not do any work." Exod. xx. 8-10.

It may be observed, that this is the only one of the ten commandments that we are expressly enjoined to enforce upon our households, and some of the most awful denunciations and threatenings in the Holy Scriptures are directed against the violation of the Sabbath-day. After the return from the Babylonish captivity, Nehemiah was the most anxious to enforce the due observance of the Sabbath : —

"In those days saw I in Judah some treading wine-presses on the Sabbath, and bringing in sheaves, and lading asses; as also wine, grapes, and figs, and all manner of burdens, which they brought into Jerusalem on the Sabbath-day : and I testified against them in the day wherein they sold victuals. There dwelt men of Tyre also therein, which brought fish, and all manner of ware, and sold on the Sabbath unto the children of Judah, and in Jerusalem. Then I contended with the nobles of Judah, and said unto them, What evil thing is this that ye do, and profane the Sabbath-day? Did not your fathers thus, and did not our God bring all this evil upon us and upon this city? Yet ye bring more wrath upon Israel by profaning the Sabbath." Neh. xiii. 15-18.

The design of the Sabbath is to insure an interval of bodily repose, more especially for the humbler classes of society (Deut. v. 14); to change the current of thought, and thus to preserve the mental powers in a state of vigor and freshness; to give leisure for reflection, and thus enable man to look above him, and around him, and within him, and consider his own character and destiny; and to furnish opportunity for the discharge of those duties of piety, of kindness, and of benevolence, which devolve upon him as a moral and religious being. To express thankfulness for past mercies is specially named as one of the duties to be performed (Deut. v. 15); and these feelings are beautifully expressed in the 100th Psalm : —

"O be joyful in the Lord, all ye lands. Serve the Lord with gladness : and come before his presence with a song. Be ye sure that the Lord he is God : it is he that hath made us, and not we ourselves; we are his people, and the sheep of his pasture. O go your way into his gates with thanksgiving, and into his courts with praise : be thankful unto him, and speak good of his name. For the Lord he is gracious : his mercy is everlasting; and his truth endureth from generation to generation." Prayer-book translation.

The institution of the Sabbath-day must not be regarded as diminishing the produce of annual labor. By improving the habits and invigorating the mental powers, it increases the annual produce of labor, both in regard to nations and individuals.

The labor of the Sunday tends not to wealth. It is not the man who "adds Sunday to the week" of toil, who employs that holy day in attending to his ordinary business or in making up his books, — no, it is not he who is in the surest road to riches. It is the man who, when the Sun-

day dawns, feels his mind expand with new and exhilarating and ennobling associations; who, accompanied by his family, appropriately attired, pays his morning homage in the temple of religion, and passes the remainder of the day in works of charity or piety, or in innocent relaxations corresponding with the sanctity of the day;—that is the man who, by improving the intellectual, the moral, and the social faculties of his mind, is adopting the surest means of acquiring wealth and respectability in the world.

They greatly err who imagine they are pleading the cause of the poor when they endeavour to remove the religious sanctions of the Sabbath-day. Should the mass of the population once entertain the impression that the observance of the Sunday is not required by religion, but is merely a matter of convenience or expediency, the poor will then have no security for cessation from toil. Reasons will soon be found, based apparently upon a regard for the poor, for increasing their labor. Let the Sunday be regarded no longer as a day of devotion, but merely as a day of pleasure, and it will soon become a day of toil.

Were the Sunday abolished, the poor man would receive no more wages for his seven days' labor than he now does for his six. His scale of comforts would be reduced, as he would have no occasion for a Sunday's attire. His opportunities of social intercourse and of moral improvement would be abolished. In this and in other cases it is shown that Religion, while she is the guide and solace of the wealthy, is pre-eminently the friend and guardian of the poor. (See a work just published, on *The Temporal Benefits of Christianity*, by Robert Blakey, Longman.)

If it be the duty of nations and of individuals to observe the Sabbath-day, it must equally be the duty of public companies. We read of no dispensation in their favor. The prohibition of any manner of work does not except the work of public companies. It is not said that all men-servants and maid-servants shall have rest except the servants of public companies. Nor are we taught that the violation of the Sabbath-day will bring down judgments upon nations, but none upon public companies.

But, as in domestic, so in social life, there are certain works of necessity, and many duties that must be performed, even on the Sabbath-day. (Isa. xlix. 15; Luke xiii. 15; xiv. 5.) In these cases a public company will act like the head of a religious family. All the secular duties that can be postponed will be postponed to the following day. Other duties will be performed in such portions of the day as will permit as many servants as possible to attend Divine service; and those servants who cannot be thus favored will be allowed other seasons for the performance of this duty. (We omit here the discussion of the question respecting Sunday travelling by railways, as inappropriate to the present work.)

We will not attempt to specify in detail all the works that may lawfully be performed by public companies, or by individuals, on the Sabbath-day. We will merely observe that, though "the Sabbath was made for man, and not man for the Sabbath" (Mark ii. 27), yet, at the same time, they who most religiously keep holy the Sabbath-day, may expect to share

most largely of those spiritual and temporal benefits its institution was designed to bestow.

"If thou turn away thy foot from the Sabbath, from doing thy pleasure on my holy day ; and call the Sabbath a delight, the holy of the Lord, honorable ; and shalt honor him, not doing thine own ways, nor finding thine own pleasure, nor speaking thine own words : then shalt thou delight thyself in the Lord ; and I will cause thee to **RIDE UPON THE HIGH PLACES OF THE EARTH**, and feed thee with the heritage of Jacob thy Father : for the mouth of the Lord hath spoken it." Isa. lviii. 13, 14.

IV. The last class of duties are the duties of benevolence.

By the duties of benevolence, we mean the duties we owe to the poor.

Throughout both the Old and the New Testament there is no duty more frequently enforced than this, — nor one, to the performance of which there is attached so many promises of temporal prosperity.

Moses, besides enacting many laws that had an especial bearing upon the welfare of the poor, enjoined, moreover, the duty of voluntary benevolence.

"And if thy brother be waxen poor, and fallen in decay with thee ; then thou shalt relieve him : though he be a stranger, and a sojourner." Lev. xxv. 35.

"For the poor shall never cease out of the land : therefore I command thee, saying, Thou shalt open thy hand wide unto thy brother, to thy poor, and to thy needy, in thy land." Deut. xv. 11.

The devotional exercises of the Israelites abound with benedictions on those who pitied the poor.

"Blessed is he that considereth the poor : the Lord will deliver him in time of trouble. The Lord will preserve him, and keep him alive ; and he shall be blessed upon the earth : and thou wilt not deliver him unto the will of his enemies. The Lord will strengthen him upon the bed of languishing : thou wilt make all his bed in his sickness." Ps. xli. 1, 2, 3.

Job said : —

"When the ear heard me, it blessed me ; and when the eye saw me, it gave witness to me : because I relieved the poor that cried, and the fatherless, and him that had none to help him. The blessing of him that was ready to perish came upon me ; and I caused the widow's heart to sing for joy." Job. xxix. 11 - 13.

In the Proverbs of Solomon, we read : —

"He that hath pity upon the poor lendeth unto the Lord ; and that which he hath given will he pay him again." Prov. xix. 17.

"He that hath a bountiful eye shall be blessed ; for he giveth of his bread to the poor." Prov. xxii. 9.

"He that hath mercy on the poor, happy is he." Prov. xiv. 21.

Seasons of festivity were celebrated by granting relief to the poor.

"The days wherein the Jews rested from their enemies, and the month which was turned unto them from sorrow to joy, and from mourning into a good day : that they should make them days of feasting and joy, and of sending portions one to another, and gifts to the poor." Esther ix. 22.

"This day is holy unto the Lord your God ; mourn not, nor weep. Go your way, eat the fat and drink the sweet, and send portions unto them for whom nothing is prepared." Neh. viii. 9, 10.

In the New Testament, we read : —

"Give, and it shall be given unto you ; good measure, pressed down, and shaken to-

gether, and running over, shall men give into your bosom. For with the same measure that ye mete withal, it shall be measured to you again." Luke vi. 38.

"Charge them that are rich in this world, that they be not high-minded, nor trust in uncertain riches, but in the living God, who giveth us richly all things to enjoy; that they do good, that they be rich in good works, ready to distribute, willing to communicate; laying up in store for themselves a good foundation against the time to come, that they may lay hold on eternal life." 1 Tim. vi. 17-19.

"Whoso hath this world's goods, and seeth his brother have need, and shutteth up his bowels of compassion from him; how dwelleth the love of God in him?" 1 John iii. 17.

On the other hand, the most awful denunciations are directed against those who are unfeeling towards the poor:—

"He that oppresseth the poor reproacheth his Maker: but he that honoreth him hath mercy on the poor." Prov. xiv. 31.

"Whoso stoppeth his ears at the cry of the poor, he also shall cry himself, but shall not be heard." Prov. xxi. 13.

"He that oppresseth the poor, to increase his riches; and he that giveth to the rich, shall surely come to want." Prov. xxii. 16.

"He that giveth unto the poor shall not lack; but he that hideth his eyes shall have many a curse." Prov. xxviii. 27.

The rule by which public companies, as well as individuals, should regulate the amount of their contributions to religious and charitable purposes, is distinctly laid down in the Holy Scriptures,—it is their ability.

"Every man shall give as he is able, according to the blessing of the Lord thy God which he hath given thee." Deut. xvi. 17.

"Thou shalt truly tithe all the increase of thy seed, that the field bringeth forth year by year." Deut. xiv. 22.

"Upon the first day of the week let every one of you lay by him in store, as God hath prospered him." 1 Cor. xvi. 2.

The spirit of these instructions appears to be, that public companies should devote to religious and charitable purposes a certain proportion of their annual profits. What that proportion should be, must be determined by each individual company. All public companies have the advantage of knowing the exact amount of their annual gains.

"Be thou diligent to know the state of thy flocks, and look well to thy herds."

The principle of this injunction is, balance your books every half-year, in order to ascertain the state of your affairs, and the amount of your profits. In all cases we think it better that a fixed sum should be set apart at the commencement of the year, rather than the amount should be regulated by the caprice of the moment. We think it a good practice, even for individuals, and especially for young men commencing life, to determine, like Jacob (Gen. xxviii. 22), that a certain part of their future gains should be devoted to the cause of piety and benevolence. We are not friendly to religious vows; but we think every prudent man, (and public companies are presumed to be assemblies of prudent men,) should have fixed principles of action, and not let his discharge of pious and charitable duties depend on the impulse of the moment.

"Every man according as he purposeth in his heart, so let him give, not grudgingly or of necessity, for God loveth a cheerful giver." 2 Cor. ix. 7.

This language seems to imply, that the amount devoted to acts of

charity should be the result of previous deliberation, and that those who have fixed the amount by a previous purpose, give with more cheerfulness than those whose minds present on every occasion a conflict between the suggestions of liberality and those of selfishness, and who grudgingly comply with the solicitations of others, or give as a necessity imposed on them by their social position.

We are no advocates for indiscriminate charity. We think that men of business (and of such our public companies are usually composed) should show the same prudence in the exercise of their charity as they would on other occasions; they should endeavour to ascertain the way of doing the most good with equal means, and should look to the remote as well as to the immediate effects of their benevolence.

The first claim on their liberality, is that of the parish or district in which the company conducts its operations. As the locality, if not occupied by a company, would probably be occupied by individuals, the company is morally bound to subscribe to the local charities as liberally as would be done by individuals of equal wealth. Another claim is, that of charities whose object has some connection with the object of the company, or which would relieve the distress of parties employed by the company.

There are also extraordinary cases, wherein, by a sudden visitation of Providence, there is general distress; such as when, by a revulsion of trade, large masses of men are thrown out of employment; or the occurrence of famine, pestilence, or fire. In these cases the appeal is not made to us in our local or professional character, but to our national feeling, or to our common humanity; and then public companies have the same duties to perform as would fall upon individuals of equal wealth. On the other hand, there are occasions wherein private charity is more useful than public charity; and it may become the duty of public bodies, as well as of individuals, to exercise their benevolence in secret.\*

But it is not necessary that kindness to the poor should always take the form of almsgiving. It is often better to prevent poverty than to relieve it, — to give employment rather than money, — to grant a loan, than to bestow alms. And sometimes public companies can so construct their business arrangements, as, without any pecuniary sacrifice, greatly to promote the interest and the comfort of the humbler classes of the community. Public companies should also coöperate in endeavouring to raise the social condition of the poor, by diminishing the hours of labor, by relieving women and children from unsuitable or oppressive toil, and by extending among the rising population the benefits of religious education.

\* *Matt. vi. 1-4.* It appears to us, that one of the least useful modes of benefiting the poor is that of permanent endowments. It seems much better that £1,000 were distributed immediately to the poor, than that this sum were invested in the funds, and the interest doled out to the poor of distant generations. Let the benevolence of the present age relieve the distress of the present age; and let us hope that the benevolence of future ages will be equal to our own, and equally commensurate with the distress which may then exist. This immediate and broadcast charity seems to answer best to the scriptural description: "He hath dispersed abroad; he *hath given* to the poor; his righteousness — not his legacies — endureth for ever." *Ps. cxli. 9; 2 Cor. ix. 9.*

To remove the ignorance of the poor is a duty not less important than to relieve their distress.

The God of the Bible is described as "the God of knowledge" (1 Sam. ii. 3); and he has implanted in the minds of his creatures a faculty for acquiring and increasing knowledge. The exercise and improvement of this faculty is as much a duty as the improvement of any other talent with which we are intrusted. And from the claims of our common humanity, and from the relation we all sustain to the same Creator (Mal. ii. 10; Acts xvii. 26), it becomes our duty also to aid others in their pursuit of knowledge. The cultivation of our intellectual faculties does not diminish, but increases and refines our physical comforts, augments our social pleasure by imparting to each individual additional claims to regard, exalts our devotional feelings by unlocking more of the wisdom and goodness manifested in the works of God; and while the amiable, though injurious, aberrations of the moral and religious feelings are controlled by the judgment, the adjudications of reason on moral and religious questions are aided and guided by an instructed and enlightened conscience. It is quite possible for all these advantages to be extended to every individual in the community.

It is peculiarly the duty and the interest of the rich to educate the poor: the morals of their children, and the comfort of their families, depend much on the religious education of their servants. Among an educated population, the rights of property, — the effects of capital on the demand for labor, and the useful tendency of what are called luxuries, — and the necessity for order and subordination in the state, will be better understood. In proportion as the mass of the population are instructed will be the amount of national happiness and prosperity. Mighty is the monarch, great is the statesman, who can direct the united energies of a nation of cultivated minds. The education of the poor is a duty even more incumbent upon public companies than upon individuals. For it is to the inventions and improvements in science, often made by persons of the working class, that many of them owe their existence. Improvements in the application of steam have produced most of our present mining, and steamboat, and railway companies. Increased attention to statistics and the laws of mortality has multiplied our insurance companies. The general principle on which all our companies are founded, — the power of association, — is itself the offspring of modern science. Our public companies are triumphs of mind; they denote a high degree of civilization, and exhibit, most strikingly, the command of man over the elements of nature, as well as over the beasts of the field, and his power in compelling the inert properties of matter to become the active ministers of his will.

Great is the debt of gratitude due by all our public companies to the cause of mental cultivation; and when these companies are computing the annual gains which from this source they have acquired, let them not forget that the Genius of Mental Cultivation, supported by Benevolence, Patriotism, and Religion, and attended by crowds of the uninstructed children of the indigent, stands at their door, and humbly asks payment of a portion of this debt.

Let them in part discharge this debt, by seeing that the children of their laborers, and the people of the district, are all supplied with the

means of instruction. And afterwards, let them patronize those societies which have for their object the education of the children of the poor in other districts, and throughout the land. They should also, as far as it can be done with justice to others, give promotion to such of their servants as devote their leisure to the cultivation of their minds. The time has gone by when it was a reproach for a young man to be bookish, as he was supposed to abstract so much more time and attention from his official duties. It is now well known that the general cultivation of the intellectual powers, renders them more effective in every operation in which they may be exercised. It is a great advantage to a public company to have educated servants.\* Their superior knowledge is always useful, — the mental discipline they have acquired improves their business habits, — and, possessing within themselves a constant source of enjoyment, they are the less likely to indulge in those expensive pleasures which are the usual temptation to neglect and dishonesty. Prov. iii. 13–15; iv. 7–9.

THIRDLY. — Having ascertained that public companies are moral agents, and having described the duties which, as moral agents, they are bound to perform, we shall now inquire what are the rewards or punishments which may be expected to follow the performance or non-performance of these duties.

A liability to rewards or punishments is essential to moral agency. To say that public companies are moral agents, but that they will not be rewarded or punished for any thing they may do, would be to assert a contradiction. In pursuing our inquiries, therefore, on this subject, we shall ask : — I. At what time will these rewards or punishments be received ? II. What will be their nature ? III. In what manner will they be applied ? and IV. What are the effects these doctrines should produce on the conduct of public companies ?

I. *When* will these rewards or punishments be bestowed ?

From the established order of Providence, which causes virtue to be followed by happiness, and vice by misery (Prov. xi. 31), and from the dispositions implanted in the mind of man,† it may fairly be inferred,

\* “It seems likely that next year a movement will be made in favor of universal education. I think it desirable that bank managers, and branch managers, should aid this movement in their respective localities, and should support generally, by their assistance and influence, the formation of literary and scientific institutions. This would afford an outlet for any surplus energy of character that might remain after the hours of business, and enable them to promote the public good, without taking part in political or religious discussions. They would acquire for themselves much pleasurable and profitable amusement, would add to the usefulness and respectability of their character in public estimation, and thus be enabled to increase the influence of their respective establishments.” — *A farther Extract from the Letter quoted at page 148.*

† Rom. ii. 14, 15. Some writers on moral philosophy have denied that man possesses those moral powers which are usually, but perhaps not very properly, called *the moral sense*; and, to support their sentiments, they have adduced the immoral practices of various nations in ancient and modern times; such as infanticide, the burning of widows, &c. They might as well have collected together all the erroneous opinions in the arts and sciences that have prevailed in different ages of the world, and then have *inferred*, that man is not endowed with reason.



that the Creator and Governor of the world is a God of truth, and without iniquity, just and right is he (Deut. xxxii. 4). And as he also possesses omnipotent power, he will assuredly carry his dispositions and purposes into effect. But on comparing these attributes of the Supreme Governor of the universe with the actual destiny of the righteous and the wicked in the present world, we do not perceive that perfect union of virtue with happiness, and of vice with misery, which our contemplation of the Divine character would lead us to expect, and inquiring minds have often been puzzled for a solution of this difficulty.

"Righteous art thou, O Lord, when I plead with thee : yet let me talk with thee of thy judgments : wherefore doth the way of the wicked prosper ? wherefore are all they happy that deal very treacherously ?" Jer. xii. 1.

"Thou art of purer eyes than to behold evil, and canst not look on iniquity : wherefore (then) lookest thou upon them that deal treacherously, and holdest thy tongue when the wicked devoureth the man that is more righteous than he ?" Hab. i. 13.

"As for me, my feet were almost gone ; my steps had well nigh slipped. For I was envious at the foolish, when I saw the prosperity of the wicked." Ps. lxxiii. 2, 3.

The book of Job is a controversy upon this question.

The friends of Job maintained the proposition, that the destiny of men in the present life corresponded with their moral character.

"Remember, I pray thee, who ever perished, being innocent ? or where were the righteous cut off ? Even as I have seen, they that plough iniquity, and sow wickedness, reap the same." Job iv. 7, 8.

"Behold, God will not cast away a perfect man, neither will he help the evil doers." Job viii. 20.

"If thou wert pure and upright ; surely now he would awake for thee, and make the habitation of thy righteousness prosperous." Job viii. 6.

Job does not admit this proposition, but declares that sometimes "the tabernacles of robbers prosper, and they that provoke God are secure, into whose hand God bringeth abundantly." Job xii. 6.

In attempting the solution of this difficulty, it may be observed that, though not universally, yet generally, virtue and happiness, vice and misery, are associated in the dispensations of Providence in the present world. And, indeed, in all the moral sciences, the general propositions are subject to exceptions, — the moral sciences differing, in this respect, from the abstract and the physical sciences ; or, to use the language of logicians, there is a metaphysical, a physical, and a moral universality (Watts's *Logic*). Thus, though it be a general rule in political economy, that the diligent hand maketh rich, yet there are some diligent hands that do not become rich. And though it be a general rule in the science of education, that if you train up a child in the way he should go, when he is old he will not depart from it, yet there are some melancholy exceptions. And thus it is a general rule, that the righteous are prosperous and the wicked miserable, in the present world, subject only to those exceptions to which all general rules, in the science of morals, are liable. It may also be observed, that, when those exceptions do occur, the prosperity of the wicked, and the afflictions of the righteous, are only of a short duration (Ps. xxxiv. 19 ; Job xx. 5), and often even rectify themselves ; the afflictions of the righteous leading to prosperity, and the prosperity of the wicked leading to destruction. Gen. xlv. 7, 8 ; Prov. i. 32.

It may, moreover, be contended, that outward circumstances are no certain index of happiness; that the wicked man, amid all his prosperity, may have a conscience that shall bite as an adder (Prov. xxiii. 32); or have some particular circumstance that shall give him so much annoyance as to nullify all the pleasures of his success. Esther v. 11-13. While, on the other hand, the righteous man may possess such inward sources of happiness, as shall enable him to rejoice even in tribulation. Heb. x. 34; Hab. iii. 17, 18.

But though these considerations may lighten, they do not remove the difficulty. It is not consistent with the teachings of our intellectual faculties, nor with the impulses of our moral feelings, that a Being of immaculate holiness and inflexible justice, and possessed, moreover, of omniscience and omnipotence, should permit, in even a single instance, that virtue should go unrewarded, and vice should remain unpunished. If the Creator of the world were not a righteous Being, he would not have implanted a love of righteousness in the minds of his creatures; and if he be a righteous Being, it is reasonable to expect that his righteousness should appear in all the operations of his moral government. And as we find this is not universally the case (Eccles. vii. 15; ix. 2), we are driven to the conclusion, that the present state is not a state of final retribution; that the enjoyments and the afflictions of the present life are intended chiefly as instruments of moral discipline; and that there is a future state of existence, in which the final distribution of rewards and punishments will take place. Thus reason concurs with revelation in teaching us that "it is appointed unto men once to die, and *after that* the judgment." Heb. ix. 27. The inequalities of the present world will thus be rectified in the next, and "every man will be rewarded according to his works." Prov. xxiv. 12.

But, however satisfactory this solution of the difficulty may be with regard to individuals, it does not apply to the case of public companies. Their existence commences and terminates in the present world, and they must be rewarded or punished in the present world, or they will not be punished or rewarded at all. In the latter case they are exempted from the moral government of God. With them virtue has no reward and vice no punishment. In reply to any exhortations to perform their moral and religious duties, they may exclaim, "What is the Almighty, that we should serve him, and what profit should we have if we pray unto him?" Job xxi. 15. "We know not the Lord, neither will we obey his voice." Exod. v. 2. As, however, we cannot suppose that God has exempted public companies from his moral government, we must infer that they are punished or rewarded in the present state.

This conclusion rests upon the same evidence as the argument we have just stated. In the former case the argument stands thus:—

The Righteous Governor of the world must reward the good and punish the wicked  
But this is not done in the present world.

Therefore there must be a future world, in which this retribution will take place.

Our present argument stands thus:—

The Righteous Governor of the world must reward the good and punish the wicked,  
ed, whether those actions are performed by public bodies, or private individuals.

But the public companies who now perform good or evil actions will not exist in a future world.

Therefore public companies must be rewarded or punished in the present world.

The only way of resisting this argument is either to maintain that public companies are not moral agents, and therefore not responsible for their good or evil actions, or that they will exist in a future world. The former part of the alternative we think we have sufficiently refuted, — the latter is too wild to need refutation. Luke xx. 34 – 36. If the marriage contract shall then be dissolved, *a fortiori*, other contracts will also be dissolved.

All the promises and threatenings of Scripture made to nations or other bodies of men have a reference to the present world, as it is only in the present world that such collective bodies can, in their corporate capacity, be either punished or rewarded.

## II. What is the nature of these rewards or punishments ?

The object of a public company is to get wealth, — a few patriotic shareholders may have taken shares to benefit the country or the district that may be the field of its operations ; but by far the greater number have no other object than to obtain a profitable employment for their capital. A public company, therefore, cannot be considered as prosperous, unless this object be obtained. If then a public company be rewarded, it must be by an increase of its wealth ; if it be punished, it must be by a diminution of its wealth. It may be observed, that wealth, riches, and similar terms, have usually a relative meaning. Generally they denote the amount of property possessed by each individual in the highest classes of society. In this sense, wealthy people are comparatively few. But when it is said that “ the diligent hand maketh rich,” it is not meant that every diligent man is placed at the top of society, — that would be impossible. It means only, that he possesses more property, and a larger portion of the comforts of life, than he would possess were he not diligent. He is rich, not, perchance, as compared with others, but as compared with his former self.

That wealth is an evil, is not the doctrine of Scripture nor of common sense.

In Scripture, wealth is distinctly called a blessing : —

“ The Lord hath blessed my master greatly ; and he is become great : and he hath given him flocks, and herds, and silver, and gold, and man-servants, and maid-servants, and camels.” Gen. xxiv. 35.

“ Thou knowest how I have served thee, and how thy cattle was with me. For it was little which thou hadst before I came, and it is now increased unto a multitude, and the Lord hath blessed thee since my coming.” Gen. xxx. 29, 30

“ The Lord blessed the latter end of Job more than his beginning : for he had fourteen thousand sheep, and six thousand camels, and a thousand yoke of oxen, and a thousand she-asses.” Job. xlii. 12.

The exhortation given in Scripture to the rich, to relieve the distress of the poor, must be founded on the principle that wealth is a blessing, and that poverty is an evil ; for if the poor are more happy, more wise, and more virtuous than the rich, upon what ground can the rich be exhorted to relieve the poor ?

Even the cautions and admonitions given to the rich, assume the principle that wealth is a blessing, — “Better is the poor that walketh in his uprightness, than he that is perverse in his ways, though he be rich.” Prov. xxviii. 6. This asserts that wealth is not so great a blessing as moral rectitude; but still it assumes that wealth is a blessing. This will appear if we reverse the sentence; for though it will then be equally true, yet for want of this assumption it will appear ridiculous; — better is the rich that walketh in his uprightness, than he that is perverse in his ways, though he be poor.

“Let not the rich man glory in his riches.” Jer. ix. 23. “Riches make themselves wings and fly away as an eagle towards heaven.” Prov. xxiii. 5. “Charge them that are rich in this world, that they trust not in uncertain riches.” 1 Tim. vi. 17.

All these expressions imply that riches are blessings, and though they partake of the uncertainty of all earthly blessings, as health, friends, or reputation, yet still they are blessings to be received with thanksgiving; 1 Tim. iv. 3; and to be employed in promoting the honor of God; 2 Cor. viii. 7; and the good of mankind.

The Scriptures do not intimate that the personal enjoyment of wealth is necessarily sinful.

Wealth, like any other blessing, may be desired from improper motives, James iv. 3; and sought by improper means, Prov. xxviii. 22; 1 Tim. vi. 9; and such an ill regulated desire may become the root of all evil, 1 Tim. vi. 10. It is also true, that when wealth is obtained it has its temptations, and so have intellectual superiority, literary excellence, and even religious attainments. 2 Cor. xii. 7. But, it is not the honorable pursuit of wealth, nor the innocent enjoyment of its advantages, that constitutes a crime. “The ground of a certain rich man brought forth plentifully, and he said, I will pull down my barns and build greater, and there will I bestow my fruits, and will say to my soul, Take thine ease, eat, drink, and be merry.” Luke xii. 16–20. There was nothing wrong in this. His folly consisted in forgetfulness of the approach of death, and his neglect of preparation for a future state. And in regard to the other rich man, Luke xvi. 19, it was not his clothing himself in purple and fine linen, and faring sumptuously every day; it was his omitting to relieve the poor man who was laid at his gate, and his neglecting to hear Moses and the prophets, that brought him to the place of torment.

Not only is wealth represented in Scripture as a blessing, but it is a blessing promised as a reward to the practice of virtue and piety.

“All these blessings shall come on thee, and overtake thee, if thou shalt hearken unto the voice of the Lord thy God. — Blessed shalt thou be in the city, and blessed shalt thou be in the field. — Blessed shall be thy basket and thy store. The Lord shall command the blessing upon thee in thy storehouses, and in all that thou settest thine hand unto. — And the Lord shall make thee plenteous in goods, in the fruit of thy cattle, and in the fruit of thy ground. — The Lord shall open unto thee his good treasures, the heaven to give the rain unto thy land in his season, and to bless all the work of thine hand.” Deut. xxviii.

“Godliness is profitable unto all things, having promise of the life that now is, and of that which is to come. 1 Tim. iv. 8. — By humility and the fear of the Lord, are riches, honor, and life. Prov. xxii. 4. — The blessing of the Lord it maketh rich, and

he addeth no sorrow therewith. Prov. x. 22. — That I may cause them that love me to inherit substance, and I will fill their treasures." Prov. viii. 21.

The virtues, upon the exercise of which wealth is most frequently promised, are diligence, righteousness, prudence, liberality in the cause of religion, and kindness to the poor.

### 1. Diligence in business : —

"The hand of the diligent maketh rich. Prov. x. 4. — The hand of the diligent shall bear rule, but the slothful shall be under tribute. Prov. xii. 24. — The soul of the diligent shall be made fat. Prov. xiii. 4. — The thoughts of the diligent tend only to plenteousness. Prov. xxi. 5. — Seest thou a man diligent in his business, he shall stand before kings, he shall not stand before mean men." Prov. xxii. 29.

"Wealth gotten by vanity shall be diminished, but he that gathereth by labor shall increase. Prov. xiii. 11. — Be thou diligent to know the state of thy flocks, and look well to thy herds." Prov. xxvii. 23.

### 2. Righteousness in social transactions : —

"The curse of the Lord is in the house of the wicked, but he blesseth the habitation of the just." Prov. iii. 33.

"He that walketh righteously, and speaketh uprightly; he that despiseth the gain of oppressions, that shaketh his hands from holding of bribes, that stoppeth his ears from hearing of blood, and shutteth his eyes from seeing evil; he shall dwell on high: his place of defence shall be the munitions of rocks: bread shall be given him; his water shall be sure." Isa. xxxiii. 15, 16.

"And if thy brother be sold unto thee, and serve thee six years; then, in the seventh year, thou shalt let him go free from thee. And when thou sendest him out free from thee, thou shalt not let him go away empty: thou shalt furnish him liberally out of thy flock, and out of thy floor, and out of thy wine-press: of that wherewith the Lord thy God hath blessed thee thou shalt give unto him. It shall not seem hard unto thee when thou sendest him away free from thee; for he hath been worth a double hired servant unto thee, in serving thee six years: and the Lord thy God shall bless thee in all that thou doest." Deut. xv. 12, 13, 14, 18.

### 3. Prudent habits : —

"He that loveth pleasure shall be a poor man; he that loveth wine and oil shall not be rich. Prov. xxi. 17. — The drunkard and the glutton shall come to poverty, and drowsiness shall clothe a man with rags. Prov. xxiii. 21. — He that tilleth his land shall be satisfied with bread, but he that followeth after vain persons shall have poverty enough." Prov. xxviii. 19.

"He that is slothful in his work is brother to him that is a great waster. Prov. xviii. 9. — A prudent man foreseeth the evil, and hideth himself; but the simple pass on and are punished. Prov. xxii. 3. — The sluggard will not plough by reason of the cold; therefore shall he beg in harvest, and have nothing. Prov. xx. 4. — Love not sleep, lest thou come to poverty. Open thine eyes and thou shalt be satisfied with bread. Prov. xx. 13. — In all labor there is profit: but the talk of the lips tendeth only to penury." Prov. xiv. 23.

### 4. Liberality in the cause of religion : —

"Honor the Lord with thy substance and with the first fruits of all thine increase; so shall thy barns be filled with plenty, and thy presses shall burst out with new wine." Prov. iii. 9, 10.

"Thou shalt truly tithe all the increase of thy seed, that the field bringeth forth year by year. And thou shalt eat before the Lord thy God, in the place in which he shall choose to place his name there, the tithe of thy corn, of thy wine, and of thine oil, and the firstlings of thy herds and of thy flocks; that thou mayest learn to fear the Lord thy God always. And the Levite, (because he hath nor part or inheritance with thee,) and the stranger, and the fatherless, and the widow, which were within thy gates, shall

come, and shall eat and be satisfied; that the Lord thy God may bless thee in all the work of thy hand which thou doest." Deut. xiv. 22, 23, 29.

4. Kindness to the poor: —

"If there be among you a poor man of one of thy brethren within any of thy gates in thy land which the Lord thy God giveth thee, thou shalt not harden thine heart, nor shut thine hand from thy poor brother. Thou shalt surely give him, and thine heart shall not be grieved when thou givest unto him: because that for this thing the Lord thy God shall bless thee in all thy works and in all that thou puttest thine hand unto." Deut. xv. 7, 10.

These are the maxims that form the Scriptural art of getting rich. We often hear of other maxims, — such as, "Mind number one"; "A penny saved is a penny got"; "Take care of the pence, and the pounds will take care of themselves"; "Charity begins at home." But these maxims are not found among the proverbs of Solomon, nor does the Bible anywhere teach us that selfishness, niggardliness, and closefistedness, are the road to wealth. The Scriptural doctrine is the reverse of this: —

"The liberal soul shall be made fat: and he that watereth shall be watered also himself. Prov. xi. 25. — The liberal deviseth liberal things; and by liberal things shall he stand." Isa. xxxii. 8.

"There is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty. Prov. xi. 24. — He which soweth sparingly, shall also reap sparingly; and he which soweth bountifully shall reap also bountifully." 2 Cor. ix. 6.

And even in those cases in which wealth is obtained by dishonorable means, that wealth is represented as soon departing from the possession of the individual, and passing into more worthy hands.

"He that oppresseth the poor to increase his riches, and he that giveth to the rich, shall surely come to want. Prov. xxii. 16. — The Lord will not suffer the soul of the righteous to famish: but he casteth away the substance of the wicked. Prov. x. 3. — He that by usury and unjust gain increaseth his substance, he shall gather it for him that will pity the poor." Prov. xxviii. 8.

"The wealth of the sinner is laid up for the just. Prov. xiii. 22. — God giveth to a man that is good in his sight wisdom, and knowledge, and joy: but to the sinner he giveth travail, to gather and to heap up, that he may give to him that is good before God." Eccles. ii. 26.

Thus we find, that, according to the political economy of the Bible, wealth is the gift of God, Eccles. v. 19; and it is bestowed by him upon those that fear God, and keep his commandments. This blessing is not always bestowed on righteous individuals, because with individuals this is not a state of final retribution; and they are promised in this world, only such a portion of the sunshine of prosperity, as shall conduce to the maturing of the excellencies of their character. Rom. viii. 28; 1 Cor. iii. 21. But with public companies this is a state of final retribution, and hence, with them righteousness will bring wealth, and wickedness will bring poverty.

III. In what manner are these rewards or punishments applied?

Rewards or punishments in the present life reach us as the natural effects of the virtues or vices which we practise, or they fall upon us by the special visitations of Divine Providence. There is a natural connection,

for instance, between the virtue of temperance and the blessing of health, — between industry and wealth, — between honesty and reputation; and when we read, "He that tilleth his land shall be satisfied with bread," Prov. xii. 11; "The hand of the diligent maketh rich," Prov. x. 4, we see at once the connection between the virtues practised and the blessings that follow them.

But when we read, "Honor thy father and thy mother, that thy days may be long," Exod. xx. 12; "Blessed is he that considereth the poor: the Lord will deliver him in time of trouble," Ps. xli. 1; we do not so readily see the connection between the duty and the blessing. We do not see why filial piety should be connected with longevity, nor why considering the poor should produce deliverance from trouble. These, then, are to be considered as commandments "with promise." Eph. vi. 2. The connection between the duty and the blessing depends on the promises of God. It may so be, that in the secret machinery of Providence the connection between the virtues and the blessings may be as natural and as necessary in these latter cases as in the former, but the connection is not so obvious to us, and therefore, when these blessings occur, we view them as coming directly from the special visitations of the Most High. It may also be observed that, even in the former cases, the connection is not so necessary or so constant as to supersede the necessity for the Divine blessing. For though industry has a tendency to produce wealth, yet, in many individual cases, it does not do so. In this, and in other moral laws, the Supreme Being appears to have left them open to exceptions, in order to keep up the sense of dependence and the feelings of devotion in the minds of his creatures.

It may be observed, in general, that a principle of righteous retaliation appears to be the prevailing principle of the Divine government.

The Scriptures abound with declarations of this principle: —

"I the Lord search the heart, I try the reins, even to give every man according to his ways, and according to the fruit of his doings. Jer. xvii. 10. — Whatever good thing any man doeth, the same shall he receive of the Lord." Eph. vi. 8.

"For if ye forgive men their trespasses, your heavenly Father will also forgive you: but if ye forgive not men their trespasses, neither will your Father forgive your trespasses. Matt. vi. 14, 15. — He that doeth wrong shall receive for the wrong which he hath done. Col. iii. 25. — It is a righteous thing with God to recompense tribulation to them that trouble you." 2 Thess. i. 6.

"Judge not, that ye be not judged. For with what judgment ye judge, ye shall be judged: and with what measure ye mete, it shall be measured to you again." Matt. vii. 1, 2.

"Whoso rewardeth evil for good, evil shall not depart from his house. Prov. xvii. 13. — Whoso causeth the righteous to go astray in an evil way, he shall fall himself into his own pit. Prov. xxviii. 10. — They shall eat of the fruit of their own way, and be filled with their own devices." Prov. i. 31.

This principle prevails throughout all the enactments of the Mosaic law.

"If a man cause a blemish in his neighbour; as he hath done, so shall it be done to him. Lev. xxiv. 19. — Eye for eye, tooth for tooth, hand for hand, foot for foot. Exod. xxi. 24. — If a false witness rise up against any man to testify against him that which is wrong; then shall ye do unto him, as he had thought to have done unto his brother. Deut. xix. 16, 19. — Whoso sheddeth man's blood, by man shall his blood be shed." Gen. ix. 6.

The denunciations of Scripture often refer to this principle.

"Ye shall not afflict any widow, or fatherless child. If thou afflict them in anywise, and they cry at all unto me, I will surely hear their cry; and your wives shall be widows, and your children be fatherless. Exod. xxii. 22-24. — Because thou hast spoiled many nations, all the remnant of the people shall spoil thee. Hab. ii. 8. — The children also of Judah and the children of Jerusalem have ye sold unto the Grecians; and I will sell your sons and your daughters into the hand of the children of Judah, and they shall sell them to the Sabeans." Joel iii. 6, 8.

Many of the facts recorded in Scripture illustrate the application of this principle.

"But Adonibezek fled, and they pursued after him, and caught him, and cut off his thumbs, and his great toes; and Adonibezek said, Threescore and ten kings having their thumbs and their great toes cut off, gathered their meat under my table: as I have done, so God hath requited me." Judges i. 6, 7

"Samuel said unto Agag, As thy sword hath made women childless, so shall thy mother be childless among women. 1 Sam. xv. 33. — Elijah said to Ahab, Thus saith the Lord, In the place where dogs licked the blood of Naboth, shall dogs lick thy blood, even thine. 1 Kings xxi. 19. — They hanged Haman on the gallows that he had prepared for Mordecai." Esther vii. 10.

Providence seems to have implanted in the mind of man a desire of witnessing the application of this principle. An honorable feeling of gratification arises in virtuous minds, when the man of violence, of fraud, or oppression, has been punished in a way corresponding to his crime, and by means brought on by his own actions. Hence the Psalmist prays, "Let the wicked fall into their own nets, whilst that I withal escape." Ps. cxli. 10. "Let his net that he hath hid catch himself: into that very destruction let him fall." Ps. xxxv. 8. And he rejoices in witnessing the accomplishment of his desires. "The wicked is snared in the work of his own hands. The heathen are sunk down in the pit that they made: in the net which they hid is their own foot taken." Ps. ix. 15, 16. "They have digged a pit before me, into the midst whereof they are fallen themselves." Ps. lvii. 6.

We should infer from these principles, that, in the ordinary course of Providence, it will be natural to expect that public companies will receive their rewards or punishments as the result of their own actions. And this will more obviously be the case when prosperity is bestowed as the reward of diligence, righteousness, or prudence. But when success is bestowed as the reward of the duties of religion or benevolence, it may arise from sudden or unexpected causes. At the same time, we cannot lay down any rules for the Divine procedure. "He giveth not account of any of his matters." Job xxxiii. 13. "He will destroy the wisdom of the wise, and will bring to nothing the understanding of the prudent." 1 Cor. i. 19. He can unlock fresh sources of prosperity, or open new fountains of affliction whenever he thinks meet to do so for the moral discipline of his intelligent creation. "The Lord maketh poor and maketh rich: He bringeth low, and lifteth up." 1 Sam. ii. 7. "When he giveth quietness, who then can make trouble? and when he hideth his face, who then can behold him, whether it be done against a nation or against a man only?" Job lxxxiv. 29. With regard to public companies, as well as individuals, "He putteth down one, and setteth up another, and none can stay his hand, or say unto him, What doest



thou?" Ps. lxxv. 7; Dan. iv. 35. But though "clouds and darkness are round about him, yet righteousness and judgment are the habitation of his throne." Ps. xcvi. 2. And he will so arrange the dispensations of his providence, "that men shall say, Verily, there is a reward for the righteous; verily, there is a God that judgeth IN THE EARTH." Ps. lviii. 11.

IV. The effects which a liability to these rewards and punishments should produce on the conduct of public companies.

The doctrine we have endeavoured to establish is, that public companies are moral agents, capable of performing good and evil actions. That those which perform good actions will be rewarded, and those which perform evil actions will be punished; and that those rewards and punishments will consist generally in an increase or diminution of their wealth. We shall now notice the practical application which public companies may make of this doctrine.

A liability to be rewarded or punished according to their works should naturally induce public companies to act in such a way as to obtain the reward and to avoid the punishment. This is to be done by performing the duties we have described. Let them perform the duties they owe to their country, and to those with whom they are socially related; their duties to God and to the poor; and they may hope with confidence for those blessings which are promised to follow the performance of those duties.

1. Public companies should not use this doctrine uncharitably in the opinion they form of other companies which are not so prosperous as themselves.

Our doctrine does not teach us that success will *immediately*, in all cases, follow the performance of the duties we have described: nor that success will be unchecked or unalloyed. A few years is a short period in the history of a public company, and we can form no judgment from so short a period of its ultimate success. Nay, it may be that these few years of struggle and difficulty may be the foundation of its future greatness. We should, therefore, judge illogically and uncharitably, were we, from the temporary distress of a public company, to infer that it was deficient in the performance of its moral and religious duties. We know enough of the principles of the Divine government to be able to regulate our own conduct, but not enough to enable us to pass sentence on the conduct of others. Luke xiii. 1-5; Acts xxviii. 3-6.

2. Public companies should not envy other public companies, who may have neglected their moral and religious duties, and yet, for a time, may enjoy a high degree of apparent prosperity.

When large fortunes are suddenly acquired by comparatively slight deviations from the path of rectitude, even virtuous minds are almost tempted to regret their own purity, and to exclaim, "Verily, I have cleansed my heart in vain, and washed my hands in innocence. Behold the ungodly, who prosper in the world; they increase in riches." Ps. lxxiii. 12, 13. But we are cautioned against the indulgence of this disposition.

"Fret not thyself because of evil doers, neither be thou envious against the workers

of iniquity. For they shall soon be cut down like the grass, and wither as the green herb. Rest in the Lord, and wait patiently for him: fret not thyself because of him who prospereth in his way, because of the man who bringeth wicked devices to pass. Fret not thyself in any wise to do evil; for evil doers shall be cut off: but those that wait upon the Lord, they shall inherit the earth. For yet a little while, and the wicked shall not be: yea, thou shalt diligently consider his place, and it shall not be." Ps. xxxvii. 1-10.

"I have seen the wicked in great power, and spreading himself like a green bay-tree. Yet he passed away, and, lo, he was not: yea, I sought him, but he could not be found." Ps. xxxvii. 35, 36.

3. Let those public companies which are not successful examine the duties we have described, one by one, and ascertain if they have performed them all. If they find they may justly be charged with omissions, then "put away the evil of your doings; cease to do evil; learn to do well; seek judgment, relieve the oppressed, judge the fatherless, plead for the poor. If ye be willing and obedient, ye shall eat of the fruit of the land." Isaiah i. 16, 18, 19. If they find they have performed all their duties, and yet are not successful, let them not "be weary in well-doing, for in due season they shall reap, if they faint not." Gal. vi. 9.

4. Let those public companies which are prosperous also examine how far they are chargeable with a neglect of any of their moral or religious duties. "If weighed in the balance, and found wanting" (Dan. v. 27), let them reflect on the transient nature of unsanctified prosperity.

"Behold, these are the ungodly, who prosper in the world; they increase in riches. Surely thou didst set them in slippery places: thou castedst them down into destruction. How are they brought into desolation as in a moment!" Ps. lxxiii. 12, 18, 19.

"Lo, this is the man that made not God his strength; but trusted in the abundance of his riches, and strengthened himself in his wickedness. God shall destroy thee for ever, he shall take thee away, and root thee out of the land of the living." Ps. lli. 5, 7.

If they find that they have strictly observed the duties of morality, but neglected those of religion and benevolence, let them recollect that, although it is said, "To do justice and judgment is more acceptable to the Lord than sacrifice" (Prov. xxi. 3), thus intimating that morality without religion is better than religion without morality, yet the union of both is essential to perfection of character and to the attainment of the highest degree of prosperity. If they have received those blessings which are promised to the exercised of diligence, righteousness, and prudence, let them endeavour to obtain those also which are promised to religion and benevolence. Let them not allow it to be said, that though "diligent in business" (Prov. xxii. 29), yet they have not "diligently followed every good work" (1 Tim. v. 10), that their righteousness refers only to temporal affairs, and though scrupulously observant of the rights of man, yet they have been unmindful of the rights of God (Deut. xxxii. 18); that their wisdom is only the wisdom of this world, and not the wisdom which cometh from above, which is "first pure, then peaceable, gentle, and easy to be entreated, full of mercy and good fruits" (James iii. 17); and that their splendid buildings are temples devoted to the service of Mammon (Matt. vi. 24), from whose altars no sacrifices of thanksgiving (Pa. cxvi. 17) ascend to the Most High, and at whose gates the poor and the needy stand and plead in vain. (Deut. xv. 7; Luke xvi. 21.)

As for those public companies that have performed all their moral and

religious duties, and have obtained all the promised prosperity, they have only to indulge in the pleasing duties of gratitude and joy.

"Go thy way, eat thy bread with joy, and drink thy wine with a merry heart, for God now accepteth thy works." Eccles. ix. 7.

"Because the Lord thy God hath blessed thee in all thy increase, and in all the works of thine hands, therefore thou shalt surely rejoice." Deut. xvi. 15.

"Peace be within thy walls, and prosperity within thy palaces." Ps. cxxii. 7.

It affords pleasure to God (Ps. xxxv. 27) and to men (Prov. xi. 10; xxix. 2) to see piety and virtue in a state of prosperity.

And let those individuals who, from their talents, their wealth, or their position, have the power of influencing the conduct of public companies, recollect they are responsible for the exercise of the influence they possess; and although these companies will cease to exist with the present world, yet individuals will not. And those who from Christian motives may cause the companies with which they are connected to pay higher attention to their moral and religious duties, and who thus shall "turn many to righteousness" (Dan. xii. 3), may expect that, after they have served their generation (Acts xiii. 36), according to the will of God, they will be permitted, through Divine grace, to join the COMPANY of angels, and the spirits of just men made perfect (Heb. xii. 22, 23), whose names are written in the Lamb's Book of Life. Rev. xxi. 27.

## APPENDIX.

THE following paragraphs were omitted : —

To the statement of the affairs of the bank at page 173, add the following note : —

Those joint-stock banks that have branches make out a similar statement every week. It comprises the balances of the General Ledger at the head-office, and of that of each branch. The balance-sheets are printed, and are bound together beforehand, so as to form a book ; it is called the Statement Book, and is laid before the directors at their weekly meetings.

Add the following to the end of the section at page 183 : —

A balance-sheet of the affairs of a commercial house is made out in much the same way as that of a bank. The liabilities are placed on one side of the account, and the assets on the other. The items of which each side is composed will vary according to the nature and extent of the business. Many commercial balance sheets have unfortunately been recently brought under the notice of the public ; most of them, as well as the annual balance-sheets of some of the joint-stock banks may be found in the pages of the *Bankers' Magazine*.

## THE BANK OF FRANCE.

The following evidence was given by the late Lord Ashburton, before the Committee of the House of Lords on Commercial Distress in 1848 : —

“ Have you any statement which you are desirous of making to the committee of information received by you relative to the proceedings of the Bank of France ?

“ Having observed that the committee were desirous of knowing something about the construction of the direction of the Bank of France, and of the conduct of that bank with respect to the several circumstances which have been matters of inquiry here connected with the Bank of England, I took the opportunity of making inquiry of a gentleman who was in London about ten days ago, who was a director of the Bank of France, and who would readily have come and given evidence himself if he had not been under the necessity of immediately returning to his own country. The inquiry I made of that gentleman related, first of all, to the construction of the direction of the Bank of France, and to what extent that direction was considered to work well. Then I made inquiry upon some of the points more immediately connected with the subject of our inquiries, namely, the conduct of the Bank of France with respect to its discounts,

K K

433

with respect to the charge of interest, and with respect to any limitation or regulation that may be put upon the operations of the bank analogous to those which are imposed upon the transactions of our own bank. I will first of all state to the committee the facts with respect to the construction of the bank direction. The Bank of France, as probably most of your lordships know, has existed since 1803; it was established quite at the beginning of the power of Napoleon, and is constituted to this day under the same administration; and I think it may be stated, that under all the different variations of government, and the difficulties through which that country has passed, the management of the bank has been singularly successful and fortunate. There has been at no time any suspension of its payments or any material difficulties of any kind; and it seems to have answered perfectly well the object for which that bank, like our own, was instituted, namely, as a bank to give proper facilities to the circulation and commerce of the country, and at the same time to be the bankers of the Government, and to give every proper and legitimate facility to the operations of the Government. The direction is formed in this manner: There is, first of all, a governor, who has a house and 60,000 francs a year. There are then two sub-governors, each with 30,000 francs a year. The governor and sub-governors are both named by the Government, and, it is understood, removable by the Government, but in point of fact they never are removed. The present governor, Monsieur D'Argout, is the third governor of the Bank of France in forty-five years; so that it has been generally considered that, though legally removable by the Government, practically they have not been removed. Then, besides this governor and two sub-governors, there are three receivers-general. Your lordships are probably aware what the position of receivers-general is in the financial economy of France. Those three receivers-general are selected by the proprietors out of the class of the receivers-general; but the receivers-general are naturally more or less connected with the Government and finance department of the country. There are then three censors, who are to be elected from the 'Etat Industriel' of Paris, — what we should call the manufacturers of Paris. It is so regulated by the charter that they must be taken from that class of persons; but although they are called censors, I do not find that they have to perform any duty in the direction but the same which is performed by the other directors. Then in addition to those there are twelve ordinary directors, elected in the way in which our bank directors are elected.

“Are the directors generally paid?”

“None of them are paid but the governor and the two sub-governors, except that there is, I think, ten francs paid upon each attendance, merely for the purpose of marking the attendance of persons to their duty, but no amount of payment that can be of any importance. The twelve directors are taken from the body of merchants, bankers, and leading persons at Paris, at the discretion of the stockholders. That is the constitution of the Bank of France. Upon making inquiry of the gentleman I have mentioned as to the system of management, he told me that the real detail of the management of the bank is mainly with the two sub-govern-

ors. They are stated to be very able men, thoroughly acquainted with all the circumstances of Paris, and all the persons likely to come to the bank for business. And, in short, upon them seems to devolve mainly the duty of attending to the details of the management of the bank ; and the directors themselves seem to be more checks upon those sub-governors, than to be themselves the managers of the bank. At the same time the directors have the power, which the directors of our bank have, to vote and to decide upon any measures that are before them. This gentleman stated to me that he considers the system to work well ; that there is no complaint of it. He does not find that the governor and sub-governors pursue any interests of the Government as against those of the bank and of trade, and the power which they have with the directors is a sufficient check ; in short, that they have nothing material to complain of in the administration. So much for the direction of the bank. Then I proceeded to inquire upon several points relating to the management of the affairs of the bank ; and first as to the charge of interest. The legal interest in France is 6 per cent. for moneyed securities, and 5 per cent. for land. It is limited, as the interest of this country is limited, to 5 per cent. for mortgages upon land, and 6 per cent. as the maximum of legal interest for any purpose. The transactions of the Bank of France may be said to have varied very little indeed from the limits of 4 to 5 per cent.; they never exceed 5, and they have hardly ever been under 4. Under all circumstances, they have kept that equable rate of interest for their discounts and for their general transactions. I should state that the discounts of commercial paper by the Bank of France, so far from being insignificant, as has been intimated, are in reality very large. I take it that upon the average of years the discount of commercial paper by the Bank of France, is larger than the discount of commercial paper by the Bank of England. They make no distinction between any qualities of paper ; all paper is done at the same rate ; but they rather favor what they call the paper connected with the common trade of the place. Therefore a much larger portion of their discounts is in small bills in the regular trade of the place, upon which this gentleman says the loss was very insignificant indeed ; that paper usually having three signatures upon it, and being founded upon real business, is very seldom attended with any loss. What I have stated with respect to the interest that the Bank of France charge is in answer to a further question which I put, whether they regulated the amount of their discounts at all by demanding a higher rate of interest, as our bank has done of late years. He says they have not done that on any occasion ; that the rate has remained, as I have stated, uniform, — between 4 and 5 per cent., — and they never attempt to lessen the applications by asking a larger rate of interest.

“ Have they any legal minimum of interest ?

“ No ; they have no legal minimum of interest ; but when the interest comes down very low they consider that a symptom that bank accommodation is not required.

“ Though they do not alter the rate of interest, do not they vary from time to time the rules with respect to the *échance* of bills ?

"That I cannot state. Then he stated further that he has no recollection at any time of their refusing the common trade bills of the country. If they want to regulate the state of their affairs they do it by increasing or diminishing what they may hold of public securities, but they never reduce or materially vary their transactions with the merchants of the country.

"Then in what sense may they be said to favor one particular description of paper? You said that they rather favored one sort of paper. In what way do they favor it?

"They favor the paper of what I should call legitimate business, — paper connected with the real ordinary trade of the country, — in preference to the bills of stock-jobbers or large speculators.

"Then in order to give effect to that distinction they must reject paper in some cases?

"Undoubtedly; but it is the paper of ordinary trade that they never reject.

"Have they any rule as to the length of bills?

"I cannot state what their rules are in this respect. Then I have only lastly to state that there is no limitation as to their issues by law, nor is there any regulated limitation among themselves other than what arises from their own discretion from day to day as they come to manage their affairs.

"In the exercise of their discretion has not the fact been that the amount of bullion kept by the Bank of France has been very large?

"Yes; generally speaking, I believe it has. This gentleman stated to me that they had never at any time been under any apprehension as to their ability to pay their notes, though undoubtedly we, looking at the returns, should think that their condition was rather questionable.

"You cannot state what proportion the amount of bullion in their hands has generally borne to the number of notes they have issued?

"I am not able to answer that myself; but a return is regularly made; it is very easy to know that.

"Do you know in point of fact that though it is called the Bank of France, their notes were not current throughout the whole of France?

"Yes; their circulation is very much confined to Paris; but at the same time, nine tenths of the business of France, like the business in our own country, is done by bills upon Paris, and Paris really is the heart of the whole circulation. I have only further to state, that of late years they have had branch banks, as our bank has had; but this gentleman says the directory did not think favorably of the working of those branch banks; he thought that they had not been profitable to them, and that they had rather disturbed their circulation.

"During the greater part of the time to which your observations have applied has not the law confined them to a minimum note of 500 francs?

"Yes; it is only lately that they have come to notes of 100 francs.

"Did he state what amount of securities they have generally held; what we should call Government securities?

"That is stated in the returns which are periodically published.

"Supposing that the natural value of money in France was 6 per cent.

and that the ordinary market rate of interest was 6 per cent., does your information enable you to state to the committee what the Bank of France would do in order to answer the demands which must be made upon it if it maintained its own rate of discount at between 4 and 5 per cent. ?

" I should think that if the Bank of France limited their interest to 5 per cent. they would, except under very extraordinary circumstances, guide and regulate the general interest of the place, and that under those circumstances they would do the whole of the real commercial paper that is presented. What is more singular, the banks in America never go beyond the legal interest. None of the banks in America discount at a higher interest than 6 per. cent., although the market rate of interest in that country is very often 10, 15, and 18 per cent.

" What check do they apply ? If they do not impose a restriction by raising the rate of interest, must not they impose some other restriction, either in the date of the bills or in the securities ?

" No, it does not necessarily follow ; because those variations in the interest do not materially alter the real business connected with drafts from Lyons and Havre and other places, and the paper connected with the real business of the country. If Mr. Rothschild or any great person were to send them in a mass of paper, for the purpose of taking advantage of the rate of interest, they would not do it for him. When I say they do all the paper sent in, I should explain that they distinctly make that condition, that it shall be paper resulting from the real trade of the country, and that seldom materially varies.

" What is the nature of their relation with the Government ? Do they receive the Government deposits and securities ?

" It is as nearly as possible the same as that of our Bank of England.

" Do they pay the dividends on the French rentes ?

" No ; they have nothing to do with the dividends.

" They are not liable to be called upon by the Government to advance money for that particular purpose ?

" Yes ; if the Government want assistance they stand exactly in that respect in the same relation that our bank do to our Government.

" Does their charter require them to make advances of that kind when demanded, or is it optional ?

" It is optional.

" They may act just as they do with the general trade of the country ?

" Yes. They stand in exactly the same relation to the Government as the Bank of England does, except that they have nothing to do with the payment of the dividends ; but they hold the deposits of the Government, and in fact are the bankers of the Government.

" Is it optional with them to pay their notes in gold or in silver *ad libitum* ?

" It is optional to pay either in gold or in silver, but of course they pay only in silver at present ; there is a premium at present upon gold of about 8 per cent., which has not been known for a long time.

" What has been the lowest denomination of note that they issue ?

" I think it is now 100 francs.



"What is it in ordinary circumstances ?

"Until lately there were no notes under 500 francs.

"Will you explain a little more fully the statement you made as to the amount of discounts afforded by the Bank of France being larger than that afforded by the Bank of England, because the transactions of the two institutions certainly are not equal ?

"If we look back to the returns we see for a long time about the same amount of discounts of bills by the Bank of England, — £ 2,800,000, £ 2,700,000, £ 2,800,000, £ 2,900,000, and so on. If you take the average of the last ten years, I think you will find the discounted bills larger in amount in Paris than here.

"Have the Government any power, not merely of supervising the acts of the bank, but of compelling them to adopt any steps that they may think fit ?

"No ; they have not. The bank are perfectly independent, and that independence has been respected even under Napoleon's government.

"With respect to those persons called censors, what are their functions in the bank ? Are they chosen by the bank proprietors ?

"They are chosen from among the manufacturers of Paris. It was intended to provide that there should be three at least of the class of manufacturers of Paris in the direction, and three of the receivers-general.

"Are the receivers-general official members ?

"I am not quite sure whether the receivers-general were named by the crown, or whether they were elected by the stockholders from the general body.

"They are the receivers-general of taxes ?

"They are ; there is a receiver in each department."

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*NOTE.* — On the night of the 15th March (1848), the Provisional Government consented to the issue of an edict exempting the Bank of France from the payment of its notes in specie, — rendering the presentation of these notes in payment throughout the territory of France a legal tender; fixing 350 millions of francs as the *maximum* of the outstanding circulation of the bank at one time; authorizing the immediate issue of notes for 100 francs (£ 4) each; and finally directing the publication every week, in the *Moniteur*, of a full abstract of the bank's balance sheet.

Subsequent decrees of the 27th April, 1848, and 2d May, 1848, authorized the incorporation with the Bank of France, of the nine "departmental banks" (that is, local joint-stock banks), at Bourdeaux, Rouen, Nantes, Lyons, Marseilles, Havre, Lille, Toulouse, and Orleans; and extended the privilege of the Restrictions to the issues of these banks, by augmenting the *maximum* limit of the total circulation of the Bank of France, and all its branches, from 350 millions to 452 millions of francs, or from £ 14,000,000 sterling to £ 18,000,000 sterling.

On the 6th August, 1850, the National Assembly of France gave the sanction of a definite law to a proposal submitted by M. Gouin in the name of a Committee, in favor of the immediate resumption of payments in specie by the Bank of France. Few men in France have distinguished themselves more than M. Gouin in the defence of all the best institutions of his country; and it will be universally felt that the introduction of a measure of so much delicacy and importance could not have been undertaken by any member of the Assembly having a better title than M. Gouin to connect his name with the reestablishment of the credit circulation of France upon a sound basis. — *London Bankers' Magazine*, Sept., 1850

THE CONDITION OF THE BANK OF FRANCE ON THE  
7TH OF JUNE, 1849.

	DEBTOR.	Fcs.	C.
Capital of the Bank,		67,900,000	0
Ditto of the ex-Departmental Banks,		23,350,000	0
Reserve of the Bank,		10,000,000	0
Ditto of the ex-Departmental Banks,		2,980,750	0
Reserve of the Bank in Landed Property,		4,000,000	0
Bank Notes in Circulation,		362,574,900	0
Ditto of the Branch Banks,		29,221,600	0
Bank Notes to Order,		920,941	75
Treasury Account Current Creditor,		23,591,142	45
Sundry Accounts Current,		109,762,124	54
Ditto in the Branch Banks,		29,467,205	0
Receipts payable at Sight,		3,955,300	0
Ditto in the Branch Banks,		1,212,782	0
Draughts of the Branch Banks payable by the Bank,		6,745,395	61
Ditto of the Bank payable by the Branch Banks,		4,697,068	0
Dividends payable,		203,369	25
Liquidation of the Algiers Branch Bank,		180,952	44
Sundry Discounts anticipated,		3,574,784	09
Ditto of the Branch Banks,		1,991,956	0
Re-discounted during the last half-year,		246,109	85
Ditto in the Branch Banks,		460,661	0
Sundries,		412,355	86
Total Francs,		687,449,397	84

	CREDITOR.	Fcs.	C.
Cash in hand,		204,432,108	15
Ditto in the Branch Banks,		129,579,652	0
Commercial Bills Overdue,		172,390	6
Commercial Bills Discounted, but not yet due, of which 14,556,742f. were received from the Branch Banks,		47,680,034	90
Ditto in the Branch Banks,		78,395,013	56
Advanced on a deposit of Bullion,		10,770,400	0
Ditto by the Branch Banks,		1,304,193	0
Advanced on French Public Securities,		25,064,517	40
Ditto by the Branch Banks,		1,438,405	0
Advanced by the State on Treasury Bonds of the Republic,		50,000,000	0
Advanced by the State on the Loan of 150,000,000f.,		50,000,000	0
Loan of 10,000,000f., to the city of Paris,		1,000,000	0
Loan of 3,000,000f., to the city of Marseilles,		1,000,000	0
Loan to the Department of the Seine,		3,000,000	0
Government Stock reserved,		10,000,000	0
Ditto disposable,		42,581,488	13
Vested in Public Securities by the New Branch Banks,		12,779,541	30
Hotel and Furniture of the Bank,		4,000,000	0
Landed Property of the Branch Banks,		2,284,653	0
Interest in the National Discount Office,		200,000	0
Ditto of the Branch Banks,		230,000	0
Commercial Bills protested, and not yet honored,		5,997,353	39
Ditto in the Branch Banks,		3,557,217	0
Expenses of the management of the Bank,		571,020	86
Ditto of the Branch Banks,		486,871	0
Sundries,		924,538	95
Total Francs,		687,449,397	84

## No. IV.

*A Law relating to Banking in New York.*

The following "Act, to amend an Act entitled 'An Act to abolish the Office of Bank Commissioner, and for other Purposes, passed April 18th, 1843,' " passed the Legislature of New York, December 4th, 1847:—

The people of the State of New York, represented in Senate and Assembly, do enact as follows:—

§ 1. The third section of the Act entitled "An Act to Abolish the Office of Bank Commissioner, and for other Purposes," passed April 18th, 1843, is hereby amended, so as to read as follows:—

It shall be the duty of the comptroller, secretary of state, and treasurer, on or before the first Tuesday of January, April, July, and October in each year, to fix upon and determine some Saturday in the quarter of the year then ended, in respect to which every incorporated bank, banking association, and individual banker in the State, shall make a report of the character hereinafter specified. Immediately after each determination of such Saturday, the officers hereinbefore named shall cause notice thereof to be published daily, for six successive days, in such newspaper published in the city of Albany as shall for the time being have the publication of legal notices, under the Act entitled "An Act to Provide for the Public Printing," passed March 5th, 1846, or shall serve a copy of such notice upon each incorporated bank, banking association, or individual banker in the State, by delivering the same to some officer or clerk thereof, at their respective places of business, or by depositing the same in the post-office, directed to each of such banks, banking associations, and individual bankers, or some officer thereof, at their places of business respectively.

It shall be the duty of every incorporated bank, banking association, or individual banker in the State, on or before the first day of February, May, August, and November, of each year, to make and transmit to the comptroller a quarterly report, which report shall be made on the oath of the president and cashier, and shall contain a true statement of the condition of the bank, banking association, or individual banker making such report, before the transaction of any business, on the morning of the day specified in the notice of the comptroller, secretary of state, and treasurer, next preceding the date of such report, in respect to the following items and particulars; to wit:—

Loans and discounts, overdrafts, due from banks, due from directors of the banks or banking associations making the report; due from brokers, real estate, specie, cash items, stocks and promissory notes, bills of solvent banks, bills of suspended banks, loss and suspense account, capital, circulation, (distinguishing that received from the comptroller from the old outstanding bills,) profits, amount due to banks, amount due to individuals and corporations other than banks, amount due to the treasurer of the State, amount due to the commissioners of canal fund, amount due to depositors on demand, amount due, not included under either of the

above heads. And it shall be the duty of the comptroller to publish such reports together in the newspapers printed in the city of Albany, in this section before named, accompanied with a summary of the items of capital, circulation and deposits, specie and cash items, public securities and private securities; and the separate report of each bank, banking association, and individual banker, shall be published in a newspaper published in the county; if a newspaper is published in the city or town in which any bank is situated, such publication shall be had in such papers in which such bank, or banking association, or banking-house of such individual banker shall be situated, at the expense of such bank or banking association, or individual banker.

§ 2. Section four of the Act in the first section of this Act referred to, is hereby amended so as to read as follows; to wit:—

The comptroller shall publish the reports and summary required by the third section of this Act, together in one paper, on or before the 25th day of August, November, February, and May, in each year; and the expense of such publication shall be defrayed by a percentage assessed upon the capital stock of all the banks, and banking associations, and individual bankers doing business under the "Act to Authorize the Business of Banking," passed April 18th, 1838, or of any Act amending the same in the said State; and if any such bank, banking association, or individual banker shall fail to furnish to the comptroller its quarterly report in time for such publication, it shall forfeit and pay to the comptroller the sum of one hundred dollars, to be applied by him to the expense of publishing the quarterly reports. And if any bank, banking association, or individual banker, shall neglect or refuse to make the quarterly report required by the third section of this Act, for two successive quarters, it shall forfeit its charter (if an incorporated bank), and its privileges as a banking association or individual banker, if organized or doing business under the Act of April 18th, 1838, in this section before referred to; and every such bank, banking association, and individual banker may be proceeded against, and its affairs closed, in any manner now required by law in case of an insolvent bank or banking association.

§ 3. Whenever, in the opinion of the comptroller, there shall be good cause to report that any bank, banking association, or individual banker, has made an incorrect or imperfect quarterly return, or is in an unsound or unsafe condition to do banking business, it shall be his duty to have the books, papers, and affairs of such banks, banking associations, or individual banker, examined by some competent person, to be designated by him, who shall examine fully into his books, papers, and affairs, forthwith, and report to the comptroller, on oath, the result of such examination; a copy of which report shall be forthwith published, in the manner prescribed in the first and second sections of this Act, in respect to the publication of quarterly returns. The reasonable costs and expenses of every examination shall be defrayed in the manner prescribed in the second section of this Act for paying the expenses of publishing quarterly returns.

§ 4. All individual bankers, and all banking associations, which are now or shall be hereafter engaged in the business of banking, under the

provisions of the Act entitled "An Act to Authorize the Business of Banking," shall be subject to taxation on the full amount of capital actually paid in, or secured to be paid in, as such capital, by them severally, at the actual market value of such securities, to be estimated by the comptroller, without any reduction for the debts of such individual banker, or banking association; but in no case shall the capital of any such banking association, or individual banker, be estimated at a less sum than the amount of circulating notes delivered to such banking association, or individual banker, and not returned to the comptroller; and, in case the capital of such banking association has been reduced by the surrender of any securities to the stockholders thereof, and the certificates of stock held on account of such securities being surrendered to such banking association and cancelled, such banking association shall not be subject to taxation upon such part of its capital.

§ 5. Nothing in this Act contained shall apply to any bank or banking association which has reduced its capital stock in violation of the twenty-eight section of an Act entitled "An Act to Authorize the Business of Banking," passed April 18th, 1838.

The following is a summary of all the Banks in the United States : \* —

#### BANK CAPITAL OF THE SEVERAL STATES.

STATES.	Population 1860.	No. of Banks.	Bank Capital.	Bank Circulation.	Bank Coins.
Maine, . . . . .	583,000	35	3,548,000	2,600,000	475,000
New Hampshire, . . . . .	318,000	22	2,205,000	1,750,000	150,000
Vermont, . . . . .	314,300	27	2,225,000	2,850,000	127,000
Massachusetts, . . . . .	985,000	130	38,260,000	17,000,000	3,000,000
Rhode Island, . . . . .	147,500	63	11,189,000	2,550,000	262,000
Connecticut, . . . . .	372,000	42	10,073,000	5,200,000	635,000
New York, . . . . .	3,099,200	195	51,000,000	26,000,000	12,000,000
New Jersey, . . . . .	480,300	26	3,754,900	3,040,000	622,000
Pennsylvania, . . . . .	2,250,000	63	18,675,000	11,980,000	7,200,000
Delaware, . . . . .	90,400	9	1,440,000	800,000	200,000
Maryland, . . . . .	575,100	24	9,072,000	† 3,350,000	† 2,812,000
District of Columbia, . . . . .	54,000	4	1,182,300	† 300,000	† 280,000
Virginia, . . . . .	1,428,800	35	9,713,000	8,200,000	2,527,000
North Carolina, . . . . .	870,500	19	3,650,000	3,600,000	1,500,000
South Carolina, . . . . .	639,100	14	11,431,000	† 7,700,000	† 2,500,000
Georgia, . . . . .	950,000	17	5,330,000	† 4,500,000	† 1,500,000
Ohio, . . . . .	2,150,000	57	7,490,000	11,000,000	2,750,000
Kentucky, . . . . .	988,000	26	10,180,000	8,000,000	2,800,000
Indiana, . . . . .	1,250,000	13	2,083,000	3,500,000	1,197,000
Michigan, . . . . .	397,600	6	782,000	780,000	120,000
Tennessee, . . . . .	1,050,000	21	8,165,000	† 5,600,000	† 1,800,000
Alabama, . . . . .	800,000	2	2,000,000	† 3,500,000	† 1,500,000
Louisiana, . . . . .	525,000	5	13,600,000	6,500,000	8,000,000
Mississippi, . . . . .	580,000	1	100,000	† 100,000	† 50,000
Missouri, . . . . .	681,500	6	1,208,000	2,400,000	1,500,000
Iowa, . . . . .	175,000	1	200,000	† 200,000	† 50,000
Wisconsin, . . . . .	205,000	1	225,000	† 300,000	† 100,000
Texas, . . . . .	175,000	1	300,000	† 300,000	† 100,000
Florida, . . . . .	85,000	..	..	..	..
Illinois, . . . . .	880,000	..	..	..	..
Arkansas, . . . . .	198,700	..	..	..	..
<b>Totals, . . . . .</b>	<b>23,368,000</b>	<b>865</b>	<b>\$ 229,061,200</b>	<b>\$ 143,630,000</b>	<b>\$ 55,460,000</b>

\* In lieu of the table published in the English edition we insert a statement brought down to the year 1861, from recent documents, for which we are indebted to the *Bankers' Magazine*, published at Boston. — *Am. Pub.*

† Estimated in part.

# ALPHABETICAL INDEX

TO THE SUBJECTS CONTAINED IN

## A PRACTICAL TREATISE ON BANKING, BY J. W. GILBART.

The reader is reminded that he is advised to answer all references in this form without looking into the book, and *aloud*. See the Section on Index Reading. A book is *described* by stating its uses, how it is ruled, how the entries are made, and against what books it will *mark*. See page 155.

- Abolition of notes under £5.** In Scotland, 330; in Ireland, 376.
- Abundance of money.** Usually precedes a season of pressure, 52, 57; and follows it, 60.
- Acceptance-book.** Describe it, 163.
- of a bill of exchange should not be written on the back of the bill, 30.
- Acceptor or Acceptor of a bill of exchange.** Which should we write? 10.
- Accommodation bills.** In what cases a party can enforce payment, 36; how are they known? 21, 40.
- Account current.** What is the difference between an account current and a current account? 164.
- , mode of opening one, 154.
- Accountant.** His books should be a check upon the cash department, 131; his department, 137.
- Acts of Parliament quoted.** Bank Charter Act of 1832, 233; Bank Charter Act of 1844, 233, 294, 298; Act of 1844 to regulate Joint-Stock Banks in England, 306; Joint-stock Companies Winding-up Act, 1848, 311; Hibernian Bank Act, 369; Act of 1845 for Regulating Banks in Ireland, 372.
- Addresses.** Desirable to indorsements of bills of exchange, 30.
- Administration of the office,** 126.
- Administrative functions in a bank.** Their distribution, 107; by whom ought they to be exercised? *ib.*
- Advances.** Different ways in which advances are made by bankers, 2.
- on its own shares, no banking company allowed to do so that is formed under the new Act, 309.
- Advice book.** Describe it, 163.
- journal. Describe it, 163.
- Age.** Expectations of life at different ages, 27; of directors, 104; different tables of, 231; at which clerks are admitted into a bank, 129.
- Agreements with the Bank of England.** Provisions in the Act of 1844 respecting banks that had formed them, 288; a list of those banks, 289.
- Agricultural and Commercial Bank of Ireland,** 372; their stoppage, 55; their mode of book-keeping, 117.
- Allotment of shares in a new bank,** 203.
- Almsgiving.** Kindness to the poor need not always take this form, 410.
- Alteration.** Material, in a bill of exchange, vitiates the bill, 36; what is a material alteration? *ib.*
- Alterations.** In deeds of settlement, how made, 301.
- America.** Money table of the United States, 197; the par of exchange between, and London, 196; laws respecting the circulation of gold coins, 197; value of sovereigns in, 198; the expenses of sending gold to, *ib.*; trade with India, 342; a summary of all the banks in, 442; pressure in, in 1836, 55.
- American dollars.** How turned into pounds sterling, 191.
- securities. Large sums invested in, in 1838, 56.
- Amsterdam.** Mode of ascertaining the relative value of gold at, 221.
- Amusements of a banker,** 14.
- Analogy.** Arguments from, the nature of, 391.
- Anderson, J. A.,** general manager of the Union Bank of Scotland. His opinion as to bankers holding their reserves in bills of exchange, 46.
- Angel.** The name of an old English coin; the origin of the application, 223.
- Annual dinner to clerks.** A good practice, 401.
- Annuities granted by the Provident Clerks' Association,** 229; on what terms they can be purchased at the savings banks, 230; Long Annuities, how a purchase of is entered in the banker's books, 191.
- Application for shares in a new bank.** Form of one, 203.
- Apprenticeship.** None required to carry on business as a banker, 1.
- Approaching failure.** Symptoms of, which a banker should observe, 27.
- April.** The highest calculation of the country banks is in this month, 293, 294.
- Arbitration of exchanges.** What is it? 194; examples, 195, 201.
- Arrangement of counters and desks in a bank,** 126.
- Art. Scriptural,** of getting rich, 418.
- Artificial memory.** Applied to figures, 199.
- Ashburton, Lord.** His evidence respecting the Bank of France, 433.
- Assets and liabilities of a bank must,** under the new Act, be published every month, 309.
- Assimilation of the currency in England and Ireland,** 337.
- Assistance in times of pressure.** Great prudence necessary in granting, 59.
- Attendance, punctual,** of bank clerks in the morning, 140.
- Auditors.** Under the new Act, two or more not being directors, must be chosen at a general meeting of shareholders, 309.
- August.** The lowest circulation of the country banks is in this month, 293, 294.

Authorized issues. Of all the banks in the United Kingdom, 290; of each joint-stock bank in England, 304; of each bank in Scotland, 329; of each bank in Ireland, 379.

Authors, Scotch, write "accepter," instead of "acceptor," of a bill of exchange, 10; "indorsement" more frequently than "indorsement," 11; they speak highly of their system of exchanges, 323, 324; they censure the English banks for re-discounting their bills, 323; and for not allowing interest on current accounts, 325; and for charging commission, *ib.*; and for having too small a paid-up capital, 320.

Avoidupois weight, 196.

BARNAGE, Charles. His observations on the dexterity of clerks, 175.

Bacon, Lord. His observations, applied to banking, 149.

Bad management. The cause of the failure of joint-stock banks, 113.

Balance, amount of, an indication of the circumstances of the party, 27.

—, to. What is it, and how performed, 153.  
—, daily. How made, 169; tends to the improvement of the clerks, 146; weekly, 170; half-yearly, 171.

— sheet. Exhibited at the general meeting of shareholders of joint-stock banks, 110; objections to it, *ib.*

— Provision of deeds of settlement respecting, 301.

— sheets. Form of one, 166; form of another, 173.

Bank. The word derived from "banco," the Italian word for "bench," 1; is it singular or plural, 8; state the cases in which it is used in the singular, and in which it is used in the plural, 8.

—, the building. Should be in a respectable part of the town, 126; should be a handsome building, *ib.*

Bank Charter of 1844. Divided the bank into two departments, 62; the issue department to issue £14,000,000 upon securities, 62; compelled the bank to issue notes against gold, at £3 17s. 9d. per ounce, *ib.*; the bank may extend her issue under certain circumstances, *ib.*; remarks on the Act, 62; its suspension, 63; was fairly tried, 74, 75; is said to have secured the convertibility of the note, 64; advantages supposed to have been expected from it, 66; produced abundance of money, 67; caused a low rate of interest, 68; led to speculations, *ib.*; its effects on the bank management, 69; does not admit of those expansions of the currency that are required by the domestic transactions of the country, *ib.*; its effects in respect to the railway deposits, 70; in regard to exportations of gold for specific purposes, *ib.*; in regard to a demand for gold by Scotland or Ireland, or the country banks of England, 70; its effects in producing and aggravating pressure, 71; tends to create panic, as well as pressure, 72; deprives the Bank of England of the power of granting adequate assistance during a pressure, 73; what we have yet to learn respecting it, 75; principles on which bankers should conduct their establishments during its continuance, 76; gives advantage to capitalists, 81; effect on the branches of the Bank of England, 240; Government letter suspending it, 247; comparative view of its effects in Scotland, Ireland, and England, 380.

— of England. Original establishment, 232; the charters of, 233; term of that granted in 1844, 233; the principles of its administration, 237; its branches, 238; principles of their administration, 240; the laws of the currency with reference to the Bank of England, *ib.*; objections to one bank of issue, 243; letter from the

Government to Directors, suspending the Act of 1844, 247; the periodical returns will be observed minutely in seasons of pressure, 60; bankers cannot depend on them for assistance in seasons of pressure, 79.

—, administration of the office. salaries to clerks, 134; holidays, 143; surety bonds, 136; medical attendance, 141.

— of France. See France.

— of Ireland. See Ireland.

— of Scotland. See Scotland.

Banker. What is one? 1, 424; does not legally require an apprenticeship, 1; his qualifications, 12; should be a man of wisdom rather than of genius, *ib.*; should possess decision, 13; and firmness, *ib.*; not of a hasty temper, *ib.*; not swayed by a personal or constitutional prepossession, *ib.*; should know himself, *ib.*; of prudent habits, 14; should know how to select suitable instruments, 15; should know how to work through others, *ib.*; should economize his own time, *ib.*; observe a principle of order, 21; shorten his interviews, *ib.*; should have a talent for obtaining and recording information, 16; should get a knowledge of the means and transactions of his customers, 18; should always have general principles, *ib.*; should cultivate chiefly some main branches of business, 19; should exercise due caution in taking new accounts, *ib.*; a small banker should not take large accounts, 19; should study the rules of discounting bills, 20; should guard against forgeries, 21; should avoid dead loans, 23; even to rich men, *ib.*; advances on deeds should only be made on special occasions, 25; bills of lading and dock-warrants should be avoided, 26; and so should policies of insurance, *ib.*; he should observe the signs of approaching failure in his customers and others, 27; should understand the "nursing" of an account, 27.

Bankers, London. In the year 1746, were usually members of the company of goldsmiths, 1; do not usually grant interest on deposits, 3. See London.

Banker's Clerk, The. Quotation from an excellent book so called, 140.

Bankers' Magazine. Quotation from, 18; reasons for all bankers promoting its circulation among their officers, 148; is a record of banking and currency, 329.

Banking Department of the Bank of England. Separated from the issue department by the Act of 1844, 83; its state on September 7, 1844, 84; viewed as an independent bank, it has too large a capital, *ib.*; and too large a rest, *ib.*; classification of its deposits, 86; how far permanent, 87; how its deposits are affected by the foreign exchanges, *ib.*; its investments, *ib.*; whether or not convertible, *ib.*; Government stock and annuities, 86; short loans, *ib.*; advances on deficiency bills, 89; the reserve, *ib.*; how affected by the importations of gold, 90. The operations of the banking department from September, 1844, to September, 1845, 90; reduced the rate of discount to 2½ per cent., 90; adopted the principle of a minimum rate of discount, *ib.*; competition for discounts, *ib.*; inquiry how far the bank rate of discount governs the market rate, *ib.*; the true principles of banking, 91; tendency of a low rate of interest to produce speculations, *ib.*; the public duties of the banking department, *ib.*; administration of, from September, 1845, to September, 1846, 92; various rates of interest, *ib.*; principles on which the rate of interest is regulated, *ib.*; railway deposits, how managed, 92; administration of, from September, 1846, to September, 1847, *ib.*; various rates of interest, *ib.*; unfavorable course of exchange, 93; deficient harvest, *ib.*; deficiency bills, *ib.*; pres-

- sure in April, 93; restricted their discounts, *ib.*; refused to grant loans on exchequer bills, *ib.*; borrowed money on consols, *ib.*; censures on the bank directors, *ib.*; practice of London bankers, 94; question as to the publication of the bank's reserve, *ib.*; administration of, from September 1847, to September 1848, *ib.*; rates of interest charged, *ib.*; failures of houses in the corn trade, and of other large commercial houses, 95; advances made by the bank, *ib.*; lent stock, exchequer bills, and India bonds, 96; deputation from the London bankers waited on the Government, *ib.*; letter from the Government suspending the Act of 1844, 96; state of the bank's reserve, *ib.*; decline of the pressure, 97; distinctive characteristics of the first four years of the operations of the banking department, 98; importance of this review, *ib.*
- Bankrupt.** The word derived from two Italian words, which signify a broken bench, 2; joint-stock banks are subject to the laws of bankruptcy, 310; those of Scotland and Ireland excepted, by 9 & 10 Vic. cap. 85, 381.
- Bankrupts.** If all the parties to a bill are bankrupts, the holder may prove for the full amount under each commission, 34.
- , fraudulent. In no case should bankers retake their accounts, 398.
- Banks.** How divided, 1; the business of, *ib.*; the disposable means of, 2; the expenses of, *ib.*
- Belfast,** banks in, 371; table of their capital, &c., *ib.*
- **Banking Company.** Its origin, 371; its branches, *ib.*
- Bell, Gavin Mason,** author of the Philosophy of Joint-stock Banking. Quotations from, on the qualifications of directors, 104; ditto of managers, 107.
- Bell, Robert,** manager of the City of Glasgow Bank in Edinburgh. His first letter to the author, 320; his second letter, 325.
- Benevolence,** the duties of. Inculcated by Moses, 409; by Job, 408; by Solomon, *ib.*; in the New Testament, *ib.*; the rule by which it should be exercised, *ib.*; should not be indiscriminate, 409.
- Bequest.** Form of one to the Provident Clerk's Association, 229.
- Bible,** a code of laws, not a book of adjudged cases, 395; its political economy, 418. See Scripture.
- Bill-brokers.** Bankers' loans to, 48; failure of, *ib.*
- people who discount with, when money is abundant and cheap, return to their banker in seasons of pressure, 59.
- banks should not depend on them for assistance in seasons of pressure, 79.
- Bill committees,** 302.
- **journal.** Describe it, 159.
- **ledger.** Describe it, 159.
- **register.** Describe it, 159.
- Bills offered for discount.** Various classes of, 20; topics of inquiry about them, 21.
- presented for payment by bankers, 5.
- if a banker misapplies bills lodged by his customer, who loses? 36.
- of exchange. What is one? 29; the form, *ib.*; who are the parties to one? 30; how are they divided? 20; what is a set of bills? 31; what stamps are required? 33; when must a bill be presented? 32; when must a notice of dishonor be given? (See Notice); formed a large part of the circulation of Lancashire, 40; forms of foreign bills, 39; some bankers hold their reserves in, 46.
- of lading. Not proper security on which a banker should make advances, 26.
- Bishop,** the admonitions of, have less effect upon some people than the frown of a banker, 7.
- Blair, Alexander,** treasurer of the Bank of Scotland. Organized the Edinburgh clearing-house, 324; letter addressed to, by Mr. Kinnear, on exchange companies, 349.
- Boards of directors.** Govern the joint-stock banks, 108, 301; should be composed of members of various ages, 104; should treat the manager with kindness and confidence, 105; should guard against the undue ascendancy of individual members, 122, 382; should not be guided too much by the applauses or admonitions of the shareholders, 122; should be well paid for their services, 125; duties of, towards the servants of the bank, 401. See Directors.
- Boating,** a serviceable recreation for bank clerks, 141.
- Bonds of security.** Form of, given by managers, 205; and by clerks, 206; cash credit bonds, 210; of the Guarantee Society, 224.
- Book-keeping.** The importance of, 117; banks should estimate their losses, 118; should keep an account of the bills re-discounted, *ib.*; each branch should have a good system of, 118.
- **banking.** A system of, 150; the horizontal, 176; comparison between commercial and banking, 180; books connected with the clearing, 253.
- Branches.** Of the Bank of England, 239; of the Banks of Scotland, 315; of the banks in Ireland, 358, 366, 371; of the country, private, and joint-stock banks, 291, 321; of the joint-stock banks in London, 279.
- of the Bank of England at Manchester and Liverpool diminished the bill circulation of Lancashire, 40; the circulation of, in notes and drafts, 239.
- of joint-stock banks. Their advantages, 108; give facilities for the transmission of money, *ib.*; are opened in places that could not support an independent bank, *ib.*; promote the distribution of capital, 109; secure a better system of management, *ib.*; require a proportionate paid-up capital, *ib.*; require competent managers, and a good system of discipline, 110; comparison between branch banks and independent banks, *ib.*; rules for governing, 118; of the London and Westminster Bank, 266.
- Branch department,** what books are kept there, 164.
- Brokers' bills.** First class bills so called, are discounted by bankers, 45-48.
- Bullion, Thomas.** A signature to a series of letters to a branch manager in the Bankers' Magazine, 18.
- Business habits.** What are they? 147.
- CALCULATING boys.** Principles of their operations, 199.
- Calculations, banking,** with reference to. The discount of bills, 184; interest at 6 per cent., 184; interest at 5 per cent., 186; use of interest tables, *ib.*; interest on current accounts, 187; composition for stamp duties, 188; time that notes remain in circulation, *ib.*; to calculate commissions, 189; dividends on stock, *ib.*; long annuities, 191; stock-brokers' charges, *ib.*; American dollars and French rentes, 191; foreign bills of exchange, 192; arbitration of exchanges, 194; the value of gold in different countries, 195; par of exchange, 196; money table of the United States, 197; value of sovereigns in America, 198; money table for India, *ib.*; to ascertain how many persons enter a bank in the course of a day, 199; calculating boys, *ib.*; systems of artificial memory, *ib.*; questions for calculation, 201.
- Call over.** What is it, and how should it be performed? 153, 175.
- Calmness.** A banker should always maintain a feeling of, 16; should observe it in his reproofs, 150.
- Cancelled.** How is a check cancelled, and when? 154.



- Capital.** Banks should have a sufficient amount of, to secure self-dependence, 80.
- paid-up, of a joint-stock bank, 100; evils of too small a capital, *ib.*; evils of too much capital, 100, 264; proportion of capital to liabilities, 101; modes of increasing capital, *ib.*; advantages of a nominal capital, 101; provisions of the new Act with reference to capital, 102, 312; the capital of all the joint-stock banks in England, 306.
- of each of the joint-stock banks in London, 280; of each in the country, 302; of each in Scotland, 316; of the banks in Ireland. *See* Ireland.
- Capitalists.** Advantages they derive from banks, 2, 337.
- Case of need.** What is it? 30.
- Cash.** Origin of the word, 223.
- account with branches. How is it kept, 169.
- book. Describe it? 157.
- credits. What are they? 332; wherein do they differ from overdrawn accounts? 333; utility of, 333-335; wherein they differ from discounts, 333.
- not adopted by the London and Westminster Bank, 265; form of bond, 210; diminished in Scotland by the Act of 1835, 328; their advantages, 333; diminished in Ireland by the runs for gold, 380.
- credit bond, forms of, 210.
- department, books used in the, 155.
- Cashier's department,** 137; his qualifications, *ib.*; his deficiencies, 143; checks on their accuracy, 131.
- Cast, to, or cast-up.** What is it? 155; how to do it well, 152, 175.
- Catechism.** An Index may be used as one, 431.
- Causes.** Of the failure of joint-stock banks, 113; taking over the unsound business of private banks, *ib.*; making advances on dead security, 114; granting accommodation to parties engaged in speculative undertakings, 116; a want of system and discipline in conducting its affairs, 117; making no provision against contingencies, 119; defects in the constitution of the bank, the appointment of incompetent persons, or an unwise distribution of the administrative functions, 120; injudicious proceedings of meetings of proprietors, 122.
- Causes of the prosperity of the Provincial Bank of Ireland,** 366.
- Certificates of shares,** forms of, 203-216.
- Chain rule.** What is it? 194.
- Change,** small, obtained from banks, 4.
- Character,** personal, of parties. An element in a banker's calculation as to the credit they are entitled to, 18.
- Chartered banks,** 364; charter of the Bank of England, 232; of the Bank of Ireland, 265; of banks in Scotland, 312-319; of the new joint-stock banks in England, 309, 362.
- Check-ledger.** Describe it, 180; advantages of, 182.
- Checks upon the issues of country banks,** 296.
- Cheque.** Less trouble to write one than to count out the money, 5; useful in proving payments, 6; must not be drawn on a bank more than fifteen miles distant, 32; should we write "cheque" or "check," 12.
- Cheques.** Are multiplied by the business of the Stock Exchange, 266; utility of crossing, 268.
- Chief accountant.** His duties, 137.
- clerk. His desk, where to be placed, 138; his qualifications, 129; his duties, *ib.*; should not have much manual labor, 144; his office a good training for a manager, 148; his duties often performed by the banker, 149.
- Circular notes.** Form of those issued by the London and Westminster Bank, 218.
- Circulation.** Different meanings of the word, 242; the Parliamentary meaning, 379.
- Cities.** Analogy between cities and public companies, 392.
- Class of society from which bank clerks are usually taken,** 129.
- Classes of bills offered to a banker for discount,** 20.
- Classification of accounts according to the profession of the parties,** 16.
- Clay, Sir William.** His motion respecting joint-stock banks, 53; his questions to the Governor of the Bank respecting the clearing, 283.
- Clearing.** Between the London bankers, 262; increase of, by the business of the Stock Exchange, 264; a clearing balance-sheet, 266; amount of transactions by each banker, *ib.*; amount of in each month, 257; books connected with, 263; joint-stock banks excluded from, 281.
- between the Bank of England and the London bankers, 257.
- between the banks at Newcastle-upon-Tyne, 258.
- house. The presentment of a bill for payment there is a legal presentment, 36; operations of the, described, 262.
- Clerks.** Their selection and appointment, 129; distribution of their duties, 131; amount of their salaries, 132; their securities, 135; the system of promotion, 136; the rules of discipline, 129; their holidays, 141; training of clerks for higher offices, 144; chief clerk, where he should be placed, 128; his duties, 139.
- Coin.** Origin of the word, 222; the word "money" applied to, 156.
- Collective responsibility of nations,** 390; families, 391; cities, 392; public companies, 368.
- Commercial Bank of London.** Its formation, capital, profits, dividends, and surplus funds, 275; its prospectus, 277.
- Exchange Company at Glasgow, 350.
- Commission accounts taken by the London and Westminster Bank,** 265, 424.
- Commissions.** How to calculate, 189.
- Committees.** Of the Lords and Commons, upon the abolition of small notes in Scotland and Ireland, in 1826, extracts from their reports, 312, 336, 375.
- Committee of the House of Commons, on the Bank of England Charter, in 1832,** 67; extract from the evidence of Mr. Horsley Palmer, 63; ditto, Mr. George Glyn, 261.
- of the House of Commons, on joint-stock banks, in 1836, 54; extracts from their report, 301.
- of the House of Commons, on banks of issue, in 1840, extracts from the author's evidence before them, 240, 243, 294.
- of the Lords and Commons, appointed to inquire into the causes of the distress of 1847, 64; of the House of Commons, reported in favor of the continuance of the Act of 1844, 65; of the House of Lords, extracts from their report as to the cause of the distress of 1847, 64.
- Compensation.** By the Act of 1844, to banks that issued Bank of England notes, 288.
- Composition for stamp-duty on notes.** How calculated, 188.
- Consols.** The best kind of Government securities for bankers to hold, 44; should hold other stock too, 45.
- Constitutional failings.** A banker should guard against, 13.
- Convertibility of the bank note.** What it means, 64; the Act of 1844 said to have secured it, *ib.*
- Copland, Charles,** manager of the Royal Bank of Ireland, formerly a manager in the Provincial Bank of Ireland, 370.
- Copper.** Its specific gravity, how coined, 196.

- Corn merchants.** Banks have made great losses through advances to, 116.
- Correlative terms.** Drawer drawee, payer payee, mortgager mortgagee, indorser indorsee, discountor discountee, noder nodee, 30.
- Cotton, William,** governor of the Bank of England in 1844. His evidence as to discounting for country banks of issue, 291.
- Coulthart's Interest Tables,** 188.
- Counterfeit coin.** Less through banking, 5.
- Counters.** Arrangement of, in a bank, 138; should at all times be properly appointed, 128.
- Country banker.** How affected in seasons of pressure, 53; has greater facilities in obtaining information than London bankers, 18.
- Country bankers.** Advance money on a deposit of deeds, 26; make advances by way of overdraft, 23.
- banks. Circulation of, restricted by the Act of 1844, 286; opinions of the joint-stock banks respecting the country circulation, 357.
- department in a bank, 162; what books are kept in the, 163.
- private banks, 294; the principles of their administration, *ib.*; the provisions of the Act of 1844, *ib.*; the regulations imposed on such as are banks of issue by the Act of 1844, *ib.*; the laws of the currency with reference to the country banks, 292; examination of the author on the subject by Sir Robert Peel, 294; the clearing between country banks, 297.
- Courtesy.** Of managers, 106; of clerks, 400; of shareholders, *ib.*; of directors, 402; of annual reports, 400.
- Credit-book.** Describe it, 163.
- Credits on agents.** How entered in the books, 167.
- Cross firing.** What is it? 27.
- Crossing of cheques.** The uses of, 258.
- Currency and banking.** "A Review of some of the Principles and Plans that have recently engaged public attention with reference to the Administration of the Currency," a quotation from, in reference to the principle of the Act of 1844, 62.
- Customers.** A banker should get a knowledge of his, 17.
- books. Should be correctly and neatly written up, 143; are checked against the ledger, *ib.*
- Cutbill, Alfred R.,** manager of the Commercial Bank of London, previously sub-manager of the London and County Bank, 275.
- DAILY balance.** Describe it, 146, 169.
- Danish bill of exchange.** The form of one, 39.
- Dates.** Bank of England commenced 1694, present charter to expire at the expiration of twelve months' notice to be given after the 1st day of August, 1855, 237.
- The London and Westminster Bank, opened on the 10th March, 1834, 259; the London Joint-stock Bank on the 21st November, 1836, 270; the Union Bank of London, on the 4th February, 1839, 274; the Commercial Bank of London in 1840, 275; the London and County Bank, in September, 1836, 277.
- of the establishment of all the joint-stock banks in England, 302; of those that have ceased 305, 306.
- of the origin of the banks in Scotland, 315; of the provisions of the Act of 1845 in Scotland, 313; in Ireland, 352.
- The Bank of Ireland commenced the 25th June, 1783; Provincial Bank in 1825; National Bank in 1834; Hibernian Bank in 1824; Royal Bank in 1836; Northern Bank in 1825; Belfast Banking Company in 1827; Ulster Bank in 1837. See these banks.
- Act of 1844 was suspended on the 25th October, 1847, 247; suspension removed on the 23d November, 1847, 249.
- David.** His gratitude and humility, 404.
- Day-book.** Describe it, 157.
- Days.** The number of, that Bank of England notes, of various denominations, remain in circulation, 189.
- Dead loans.** How they arise, 20; cannot be called up in seasons of pressure, 58.
- security. Some banks have lost money by making advances on, 23, 114.
- Debt, National.** The amount of, 51.
- Decision.** Very necessary in a banker, 13, 107.
- Declarations of secrecy.** Form of, signed by directors and officers of joint-stock banks, 207.
- Deed of settlement,** 205; provisions of, with regard to altering the regulations of the company, 301; as to the mode of conducting the business of banking, *ib.*; as to the degree of publicity to be given to the proceedings, *ib.*; as to the terms on which the company is to be dissolved, 302; provisions of, under the new Act, 309.
- of transfer. Form of, 216.
- Deeds lodged as security for loans.** Rules to be observed respecting, 25.
- Defects of character in a banker,** 13.
- Deficiencies of cashiers.** How provided for, 143.
- Department of tellers,** 136; of cashiers, 137; of accountants, *ib.*
- Deposit receipts.** Form of, 213; use of, 429.
- Deposit-receipt-book.** Describe it, 158.
- Deposits in a bank.** Are reduced in seasons of pressure, 53; the system of, in Scotland, 336.
- Amount of, in each of the joint-stock banks of London, 280.
- Desks.** Arrangement of, in a bank, 128.
- Difference between the pressures of 1836 and 1839,** 56.
- Diligence in business,** a source of wealth, 417.
- Direction, or notice,** left by a bank clerk when a bill is not paid on presentation, 32.
- Director.** Should be a man enjoying public confidence, 102; should possess a knowledge of commercial business, 103; should be a man of strict integrity, *ib.*; a man of influence and respectability, *ib.*; in good pecuniary circumstances, 104; should have time to give attention to the bank, *ib.*
- Directors.** At first they had no banking experience, 121; were chosen because out of business, *ib.*; evil of managing directors, 122, 348; and secret committees, 122; provisions of the new Act respecting, 309, 382.
- of the Bank of England. Their number and qualifications, 83; have always been liberal towards the clerks of the establishment, 136.
- Ireland, 356, 382.
- Discipline.** Rules of, in a bank, 118, 139.
- Discount of bills.** Mode of calculating, 184.
- Discount balance book.** Describe it, 16.
- journal. Describe it, 159.
- ledger. Describe it, 169.
- register. Describe it, 159; abolition of, 179.
- Discounting bills.** Large part of a banker's business, 20; classes of bills offered for discount, *ib.*; rules of, 21; points of examination with reference to bills discounted, *ib.*, 23.
- Discrimination of character.** A necessary qualification in a banker, 15.
- Dissolution of a banking company.** How made, 302.
- Dividends, high.** Bankers should not expect them under the Act of 1844, 80.
- rate of, paid by the joint-stock banks of London, 280; by the country joint-stock banks, 302; paid by each bank in Scotland, 315.
- How to calculate, 189.
- Division of labor.** Necessary in a bank, 131, 174

- Divine Character.** A lovely exhibition of the, in the words, "He hath pleasure in the prosperity of his servants," 402.
- Dock warrants.** A banker should not make advances on them, except occasionally for the accommodation of a customer, 26.
- Documents.** Banking, 202. Documents connected with the formation of a joint-stock bank, *ib.*; the deed of settlement, 206; bonds of security for the officers, *ib.*; declarations of secrecy, 207; letters of guarantee, 208; letters on lodging deeds or other securities, 209; memorandum of agreement with reference to deeds, *ib.*; cash credit bond, 210; letters of credit, 212; deposit receipts, 213; requisition notes, *ib.*; letter calling a general meeting, 215; special contracts, 216; notices of calls, *ib.*; certificates of shares, *ib.*; deed of transfer, 218; circular notes issued by the London and Westminster bank, *ib.*; a table showing the relative value of gold in London and Paris, Hamburg and Amsterdam, 221; a table of English money reduced into foreign, 222; bond of the Guarantee Society, 224; Provident Clerks' Benevolent Fund, 226; terms of savings bank annuities, 230; comparative view of the expectation of life, 231.
- Domine Dirige Nos.** The motto of the City of London, 404.
- Double entry, book-keeping by.** Describe it, 181.
- Draught, or draft, which should we write?** 11.
- Dunedin Bank.** Extract from their prospectus, 321.
- Dutch bill of exchange.** The form of one, 39.
- coin, English money reduced into, 222.
- Duties of clerks.** The distribution of, 132.
- of public companies, 393. 1. Duties of patriotism, 393. — 2. Duties of social relationship, 395. — 3. Duties of religion, 404. — 4. Duties of benevolence, 407.
- East India bonds.** Bankers' investments in, 45.
- Economy, domestic.** Promoted by banking, 6.
- should not be too strictly regarded by public companies. In their expenditure, 394; in their buildings, 126; in their salaries, 124; in their hospitality, 400; in their pensions, 401.
- Education.** The duty of educating the poor binding on public companies, 406; ways in which the duty should be discharged, 407.
- Education.** A religious one, a strong recommendation in a candidate for the office of bank clerk, 130.
- effect on the population, 410; advantage to banks of having educated servants, 412; many public companies owe their existence to, 411.
- English money.** Reduced into Prussian, Frankfort, Dutch, and French coin, 222.
- Employment previous.** To be inquired into before appointment as a bank clerk, 130.
- Envy.** The prosperity of the wicked should not be envied, 421.
- Equivalent numbers.** Great facilities to calculation by substituting, 199.
- Evil speaking should not be practised between public companies,** 397.
- Examination of the author by Sir Robert Peel, on the circulation of country banks,** 294.
- Example.** The effects of, 395.
- Exchange banks and companies,** 346; letter of the author respecting, *ib.*; extract from Mr. Kinneir's pamphlet respecting, 349; those established in Scotland, 350.
- Exchanges.** Between bankers in London, 252; between bankers in the country, 297; between bankers in Scotland, 323, 344; in Ireland, 353; in Newcastle-on-Tyne, 268. See "Clearing."
- foreign, unfavorable, usually precedes a season of pressure, 52. See Foreign.
- Executor.** Should open a separate account at a bank, 428.
- Exchequer bills.** A banker may have to sell or borrow on them in seasons of pressure, 58; loans on, refused by the bank in April, 1847, 70; some banks keep their reserves in, 45; Bank of England did so, but have changed for stock, 45.
- Expectation of life.** A short mode of ascertaining, 27.
- Expenditure.** A record of, preserved by keeping a banker, 6; enumerate the accounts that are placed under this head in the general ledger, 166; how entered in the books, 169.
- Expenses of a bank.** What are they? 2, 166.
- FAILURE.** When a banker failed in Italy his bench was broken by the populace, 1; signs of approaching failure, 27.
- Failures of joint-stock banks.** Causes of, 113; number of, 306.
- False dealing forbidden,** 395.
- Families.** Analogy between families and public companies, 391; instances of families being rewarded or punished for their actions, 392.
- Farthing.** Origin of the word, 224.
- Figures.** Should be made plain, 151.
- Firmness.** Want of, a defect in a banker, 13.
- Fluctuations.** Great in the amount of the circulation, the rate of interest, and the price of the public securities, during 1847, 66; their effect on trade, 82.
- Foreign bills of exchange may be accepted verbally,** 31; always protested for non-acceptance or non-payment, 32; usually drawn in sets, 31; often drawn at a usance, 31; bills drawn from Scotland or Ireland are considered as foreign, *ib.*; form of in several languages, 39.
- Foreign countries, bills on.** How they arise, 192; how calculated, 194; arbitration of exchanges, 194.
- exchanges. Country bankers do not regulate their issues by, 295.
- may be adjusted by other means than the transmission of gold, 66.
- Forgeries.** Various kinds of, 21; how to guard against, 22; in signing deeds, *ib.*
- Form.** Of a bill of exchange, 29; of a promissory note, 30; of a cheque, 32.
- Foster, B. F.** His "Book-keeping" quoted, 160, 176.
- France, Bank of.** Formed in 1803, 434; is governed by a governor, two sub-governors, three receivers-general, three censors, and twelve ordinary directors, *ib.*; how are they paid, *ib.*; the rate of interest charged, 435; principles of management, *ib.*; their circulation of notes, 436; branches, *ib.*; connection with the government, 438; its condition, 439.
- Francis, John.** His "History of the Bank of England" quoted, 175.
- Frankfort coin.** English money reduced into, 222.
- Free-trade in banking does not produce numerous banks, but the reverse,** 318.
- French.** Form of a bill of exchange drawn in, 39.
- coin. English money reduced into, 222.
- stock. How calculated, 191.
- GAMBLERS.** Bankers should discountenance, 7.
- Gambling in the funds or in shares.** Bankers' clerks should not do so, 144.
- Gardening.** A highly beneficial recreation for bank clerks, 141.
- General account of cash.** How kept in the books, 169.
- balance book. Describe it, 16, 166.
- ledger. Describe this most important book, 165; how are the accounts classified? 166; how is it posted from the day-book? 165, 181; is it kept by double entry? 181.
- principles. A banker should always have them, 18.

**Gentlemanly manners.** Clerks should observe towards each other, 128.

**German bill.** The form of one, 39.

**Gilbert, James William, the author.** Was manager of the Provincial Bank of Ireland, at Waterford, 263; extract from his History and Principles of Banking, 20; extracts from his Inquiry into the Causes of the Pressure on the Money Market during the year 1839, 52, 72, 81; extracts from his Currency and Banking, reprinted from the *Westminster Review*, 62, 313, 328; extracts from his letters of Nehemiah, 74, 76, 238; extracts from his Laws of the Currency, published in the *Foreign and Colonial Review*, 241, 292, 327, 372; extracts from his History of Banking in America, 22, 55, 72, 99, 197; extracts from his History of Banking in Ireland, 354, 358; extracts from his Lectures on Ancient Commerce, 14, 147, 151; extracts from his Evidence before a Committee of the House of Commons, respecting one bank of issue, 243; ditto, ditto, respecting the circulation of country banks, 294; ditto, ditto, respecting the circulation of Ireland, 373.

**Gladstone, J., M. P.** His evidence upon the bill circulation in Lancashire, 40.

**Glasgow Exchange Company,** 351.

**Glyn, George Carr, M. P.** His evidence respecting the London bankers in 1832, 251; his questions respecting the clearing, 258; his anticipations respecting the issues of the Bank of England, 67.

**Gold.** How weighed, 195; how coined, 196; its specific gravity, *ib.*; the amount in circulation, *ib.*

**Goldsmiths, Company of.** Formerly most bankers belonged to that company, 1.

**Goodness.** Always associated with some degree of wisdom, 131.

**Government securities.** The Bank of England prefer holding stock to exchequer bills, 45; amount held by them in September, 1844, 84; and at other times, 97; bankers will probably hold a less amount from their experience of the Act of 1844, 77; proper for bankers to hold their reserves in, 44, 48.

**Grace.** Three days of, allowed on bills of exchange, 30.

**Grammar.** Is the word bank a singular or a plural noun? 8; should we write acceptor, or acceptor? 10; indorse, or endorse? 11; indorsement, or indorsation? *ib.*; presentment, or presentation? 12; draught, or draft? *ib.*; check, or cheque? *ib.*

**Gratitude, debt of.** Due from public companies to the cause of mental cultivation, 411.

**Grey, Dr.** His system of artificial memory, 200.

**Groat.** Origin of the word, 223.

**Grudging.** Hospitality should be exercised without, 400; and also benevolence, 410;

**Guarantee Societies,** 135; form of their bond, 224. — Fund. See Surplus Fund.

**Guinea.** Why a gold coin was so called, 223.

**Gurney, Samuel.** His opinion as to bankers holding their reserves in bills of exchange, 47.

**HABITS.** How formed, 430; imprudent, voluptuousness, drunkenness, gluttony, idleness, sloth, gay company, improvidence, gossiping, tend to poverty, 417.

— of business. What are they? 146.

**Half-yearly balance.** What is then done? 171.

— book. What does it contain? 171.

— sheet. Describe it, 173.

**Hamburg.** Way of estimating the relative value of gold in, 196.

**Happiness.** Outward circumstances no certain index of, 413.

**Head-office.** List of all the joint-stock banks in England, arranged alphabetically according to the head-office, 302.

**Health.** A banker should pay regard to his own, especially in seasons of pressure, 61; means of promoting the health of clerks, 127, 128, 140; holidays have a tendency to promote, 142; great inconvenience from the bad health of clerks, 140; conduct of the Bank of England with regard to the health of their clerks, 141.

**Hewat, Thomas.** The secretary of the Provincial Bank of Ireland, 365.

**Hibernian Bank,** 369; its origin, *ib.*; obtained an Act to sue and be sued by its registered officer, *ib.*; the last statement of its affairs, 370.

**High salaries to clerks.** Not advisable at first, 134. **History and Principles of Banking.** Quoted with reference to bills offered for discount, 20.

— of banking in America. Quoted with reference to the re-discounting of bills, 22; with reference to pressures, 55, 72; with reference to joint-stock banks, 99; with reference to the coins of the United States, 197.

**Hoarding.** The effect of panic, 72; the extent of in 1847, 73.

**Holidays.** All clerks should have, 141; promote their health and mental energy, 142; a means of improving the clerks, *ib.*, 145; a security for their honesty, 142; rules of the Bank of England with regard to, 143.

**Honiton Bank.** Neglectful in book-keeping, 117.

**Honor Deo.** The motto of the Mercers' Company, 405.

**Honor.** Acceptance for honor; what is it? 31.

**Horizontal system of book-keeping.** Describe it, 176; what are its advantages? 173.

**Hospitality.** Cases in which public companies should exercise it, 401.

**IGNORANCE.** To remove the ignorance of the poor is as much a duty as to relieve their distress, 410.

**Illegal considerations for a bill of exchange.** Such bills cannot be enforced by the drawers, but may by third parties who had no knowledge of the illegal consideration, 33.

**Illness of Clerks.** Inconveniences of, 140; means of preventing, *ib.*; conduct of the Bank of England with respect to, 141; why should not banks engage medical men to attend to? 141.

**Impartial system of promotion.** Tends to the improvement of the clerks, 145.

**Improvements in book-keeping,** 174; what is their object? 176.

**Inconvertible security.** A banker should not make advances on, 23.

**Independence of mind essential to the development of the intellectual character,** 149.

**Index.** Uses of, — is a reference to what we have read, — will remind us of what we have forgotten, — frequent perusal of, will impress the book on our memory, — will present in one view all that is said on the same subject, — a means of self examination, — a catechism, — a syllabus, — points out those topics on which we may desire information, — enlivens the attention, 430, 431.

**India.** Money table for, 199; exchange with, *ib.*; how regulated by the East India Company, *ib.*; how exchange operations are conducted there, 341; form of bills remitted thither by the Scottish banks, 343; the Bank of England issue bank post bills in sets, at 60 days' sight, for remittance thither, 344.

**Indorsement of a bill of exchange.** May be either general or special, 29; where it should be placed, 30; should we write indorsement or indorsation? 11; Indorse or endorse, *ib.*

**Industrious classes.** System of deposits useful to, 337, 339.

**Information.** Kind of, given by bankers to each other, 6; given by a banker to his customer, 7; means of obtaining and recording, 16; country bankers have great facilities in obtaining, 18.

**Information book.** Describe its importance, 17.  
**Innocent people suffer for the faults of those with whom they are socially connected,** 392.  
**Inquiry into the Causes of the Pressure on the Money Market during the year 1839.** Quotations from, 52, 57, 72, 81.  
**Inspection-book.** Describe it, 16.  
**Instruments, suitable.** A banker should know how to choose, 15.  
**Insurance companies.** Their increase owing to the increased attention paid to vital statistics, 410; should be pitiful when policies become forfeited through misfortune, 400; should not rejoice at the misfortunes of rival companies, 398; their policies not good security for bankers' advances, 26; the United Guarantee and Life Assurance Company, 135; the Provident Clerks' Insurance Company, 226.  
**Interest.** A low rate of, usually precedes a season of pressure, 53, 81.  
 — how to calculate, 184.  
 — more than 5 per cent. cannot be charged where the security is real property, 26.  
 — on deposits. Allowed by bankers, 3; not generally by London bankers, *ib.*; advantages of, in Scotland, 337.  
 — will advance in seasons of pressure, 58, 60.  
 — tables. Reader's, 186; Gilman's, 188; Coulthard's, *ib.*  
 — what is the practice of the London private bankers with regard to? 3, 251; the London joint-stock banks? 251, 265, 269, 271, 272, 278; the country banks? 3, 345; the banks of Scotland? 3, 325, 337, 344; the banks of Ireland? 368, 381; the Bank of England? 237, 238; what rates has the Bank of England charged at different times? 56, 90, 92, 94, 98; what effects have her changes upon the market rate of interest, 68, 93; what connection is there between rates of interest and seasons of speculation or pressure, 53, 60, 66, 69; how it checks the excessive issue of notes, 296, 325; what effects are produced on, by the Act of 1844? 69, 77, 91; what are the various modes of calculating, 194-199; what rates are charged by the Bank of France? 436; and the Banks in America, 437.  
**Interviews between a banker and his customers** should be short, 16.  
**Investments.** Enumerate the accounts that are placed under this head in the general ledger, 166; how entered in the books, 167; in foreign stocks, how far allowed, 301.  
 — speculative. Usually precedes a season of pressure, 53, 81.  
**Ireland.** Bills drawn from, regarded as foreign, 31.  
 — banks of, 362; provisions of the Act of 1845, *ib.*; the Bank of Ireland, 364; the Provincial Bank of Ireland, 368; the National Bank of Ireland, 367; the Hibernian Bank, 369; the Royal Bank of Ireland, 370; the private banks in Dublin, 364; the Northern, Belfast, and Ulster Banks, at Belfast, 371; the Tipperary Joint-stock Bank, 372; the laws of the Currency in Ireland, *ib.*; the abolition of notes under £5, 375; respective bearings of the Acts of 1844 and 1845 (7 and 8 Vict. cap. 32; 7 and 8 Vict. cap. 113, and 9 and 10 Vict., cap. 85) upon the banks of England, Scotland, and Ireland, 380; settlement of the exchanges in Dublin, 383.  
**Lake of Man.** Two joint-stock banks have failed there, 307.  
**Lake of Wight.** A joint-stock bank there took the business of a private bank, 114; afterwards merged in the National Provincial Bank, 307.  
**Issue Department of the Bank of England.** Is required to give notes for gold, at the rate of £3 17s. 9d. per ounce, 62; not to issue more than

£14,000,000 against securities from the thirty-first day of August, 1844, 234.

**Issue Act of 1844.** No bank in any part of the United Kingdom, who did not issue notes on the sixth day of May, 1844, shall have the power of issuing notes, 284; the amount of notes a country bank in England may issue must not exceed the average amount in circulation during the twelve weeks ending the twenty-seventh day of April, 1844, 285; upon an average of four weeks, no banker must have more than the above amount in circulation from the tenth day of October, 1844, 286.

— No bank can issue notes in Scotland or Ireland, who did not issue on the first day of May, 1845, 313; the fixed issue of each bank is the average amount it had in circulation during the year ending the first day of May, 1845, *ib.*; upon the average of four weeks, no bank to have in circulation a larger amount than this fixed issue, after the sixth day of December, 1845, *ib.*  
**Italian bill of exchange.** The form of one, 39.

**JACKSON, John Stanway.** Manager of the Bank of Mona, 308.

**James, Paul Moon.** His opinion as to bankers holding their reserves in bills of exchange, 46.

**Job.** His controversy with his friends, 412; his reflections, when in distress, on his previous conduct towards his servants, 402; his kindness to the poor, 413.

**Joint-stock banks.** Committee of the House of Commons respecting, 53; their report, 54; points in which they differ from private banks, 99; their paid-up capital, 100; are governed by a board of directors, 102; have a chief officer, called a manager, 104; distribution of their administrative functions, 107; advantages of their branches, 108; their annual meetings of shareholders, 114; their balance sheets, *ib.*; their profits, and the modes of distribution, 112; causes of their failures 114; their advantages, 278. See Causes.

— in London. Points on which they differ from the private bankers, 263; number of partners, *ib.*; a known amount of capital, 264; grant interest on lodgments, 265; no Christmas boxes to clerks, *ib.*; have branches, 266. Points in which they differ from each other:—three give interest on the minimum balance of a current account, 270, 272, 274, 279; two take commission accounts, 264, 279; one has branches in the country, 278.

— in the country. Origin of, 300; provisions of their deeds of settlement, 301; a list of those now in existence, 302; of those that have stopped payment, 306; of those that have wound up, *ib.*; of those that have stopped and resumed, 307; of those that have merged in other joint-stock banks, *ib.*; see, also, 431.

**Journal.** Merchants', describe it, 180; bill journal and discount journal, 159.

**KEEPING a banker.** What is it? 424; more general in Scotland than in England, *ib.*; reasons for doing so, 425; which banker should we choose, 426; mode of opening and keeping the account, *ib.*; interviews with the banker, 427.

**Kindness to the poor.** A source of wealth, 417.

**Kinnear, George,** manager of the Commercial Exchange Company. Extracts from his letter to Mr. Blair, 349; extracts from his pamphlet on Exchange Companies, *ib.*

**Knowledge.** The advantages of, 405.

— of his customers, of great importance to a banker, 17.

- LABOR.** Division of, among clerks, 131; one of-  
fice should be a training for the next above it,  
145.
- Laboring classes.** Advantages they derive from  
banks, 337, 339.
- Lancashire, circulation of.** Consisted mainly of  
bills of exchange, 40; how altered, *ib.*
- Large accounts.** Should not be taken by small  
bankers, 19.
- advances to one customer. Not desirable,  
116.
- banks. The formation of, prevented by the  
Act of 1844, 287.
- Laws of the currency.** With reference to the Bank  
of England, 240; to the country banks, 292; to  
Scotland, 327; to Ireland, 372.
- Law suits.** Rules to be observed with respect to  
them, 398.
- Lawyers.** Opinions of, with regard to a special fol-  
lowing a general indorsement of a bill of ex-  
change, 29; banks should employ none but hon-  
est ones, 400.
- Leatham, Mr.** His calculation as to the amount  
of bills of exchange in circulation, 40, 41.
- Lectures on ancient commerce.** Quotations from,  
on the amusements of a merchant, 14; on bad  
writing, 151; on habits of business, 146.
- Ledger, current account.** Describe it, 168; pro-  
gressive, describe it, *ib.*
- general. Describe it, 165; merchant's, de-  
scribe it, 181.
- keeper. His desk, where placed, 123.
- Leeds.** A bank that failed there is said to have ad-  
vanced money on shares, 116; its banks have  
sometimes advanced money on mills, 115.
- Legislation.** Has made banks too numerous, 318;  
prevents the formation of large banks of issue,  
361.
- Letters addressed to the author.** By Mr. Robert  
Bell, 320, 326; by an Irish banker, 384; from In-  
dia, 341.
- between the Government and the Bank, re-  
specting the Act of 1844, 247.
- of bankers. Form of, 162.
- of credit. Form of, 212.
- of guarantee. Forms of, 208; of deposit of  
deeds, 209; of credit, 212.
- addressed to banks, as security  
for bills discounted, 205; to accompany a lodg-  
ment of deeds, 209.
- of Nehemiah. Quoted, 74, 76, 268.
- to a branch manager. Quoted, 18.
- to shareholders. Forms of, 203, 215.
- Lettre d'Indication.** What is it? 218.
- Liability of shareholders in joint-stock banks.**  
Not limited by charters granted under the new  
Act, 310.
- in the Guarantee Society the shareholders  
are not liable on their policies beyond the  
amount of their shares, 226; and ratably only  
with other parties, 226.
- Liberality in the cause of religion.** A source  
of wealth, 406, 418; rules for its exercise,  
410.
- Library, a banking.** Every bank should have, 148.
- Licenses to issue notes.** Alteration made by the  
Act of 1844, 237.
- Life policies.** A banker should not make advances  
on, 26; the value of, 27.
- Light.** Regard should be paid to, in fitting up an  
office, 127; prevents mistakes, 129; produces  
cheerfulness, *ib.*; how it should fall, *ib.*
- Lists.** Describe the books so called, 160.
- Literary societies.** Bank managers should pro-  
mote, 412.
- Liverpool bankers have made advances on cot-  
ton,** 23.
- Loans, to stock or bill brokers,** 48; loans to clerks,  
144, 223.
- Loans.** How made in London, and how in the  
country, 23; when are they dead? *ib.*; quotation  
from Mr. Taylor, respecting, 25; how entered in  
the books, 168.
- and discounts. The demand for them will  
increase in seasons of pressure, 58.
- Local directors of branches.** Not now appointed  
generally in England, 119; of the Provincial  
Bank of Ireland, 362.
- Locality.** What is the best for a bank? 126.
- Lodgments.** Enumerate the accounts that are  
placed under this head in the general ledger, 166.
- London bankers give information to each other,**  
6; do not reissue country notes or bills of ex-  
change, 251; difference between City and West-  
end bankers, 19.
- private bankers, 249; list of, 250; the  
principles of their administration, 251; the oper-  
ations of the clearing-house, *ib.*
- joint-stock banks, 259; their number, *ib.*,  
279; abstract of their returns to the Stamp-office,  
280; statement of their affairs from their last re-  
ports, *ib.*
- and Westminster Bank. Form of their  
circular notes, 218; list of foreign bankers who  
pay them, 219; its history, 259; its principles,  
263; its branches, 266; its government, 268; its  
paid-up capital, profits, dividends, and surplus  
fund, 269; its prospectus, *ib.*
- Joint-stock Bank. Its formation, 270; its  
capital, profits, dividends, and surplus fund, 273;  
its prospectus, *ib.*
- and County Bank. Its original title, 277;  
private banks merged in, 278; its prospectus, *ib.*
- and Dublin Bank. Merged in the Nation-  
al Bank of Ireland, 368, 372.
- Long Annuity.** How a purchase of, is passed  
through the books, 191.
- Lord Bacon.** His observation on reading, writing,  
and conversation, applied to bankers, 148.
- Lost bill of exchange.** What is the law respecting  
it? 34.
- Love thy neighbour as thyself.** How can a banker  
do this? 398; not practised by street cigar-smok-  
ers, 403.
- Loyd, Lewis.** His evidence upon the bill-circu-  
lation of Lancashire, 40.
- Samuel Jones. Reply to his observations  
in favor of the currency principle, 62; his liber-  
ality to his clerks, 33.
- McCulloch, Mr.** His observations on the clear-  
ing, and his description of the advantages of the  
clearing-house, 258.
- Mammon, temples of.** Buildings of public compa-  
nies should not be so, 423.
- Manager.** Should be selected solely on account of  
his banking talents, 105; should be characterized  
by circumspection and uprightness, *ib.*; his va-  
rious duties, 106; must not be engaged in any  
other employment, *ib.*; his conduct towards the  
customers, *ib.*, should be prompt and decided,  
107; in some banks the administrative power is  
vested solely in the manager, 108, 302; large  
banks can command the services of the most tal-  
ented managers, 114; should study his weekly  
balance-sheet, 118; in 1836 joint-stock banks  
were formed faster than good managers could be  
obtained, 121; his efficiency will depend on his  
social position, *ib.*; the most important of a  
manager's functions is to give advice to the di-  
rectors, 122; evils of a manager being badly paid,  
124; an instance of liberal feeling in the share-  
holders of a joint-stock bank towards their man-  
ager, *ib.*; how clerks are trained to become man-  
agers, 146; names of the managers of all the  
joint-stock banks, 302; under the new Act a bank  
must have one, 310; of branches, 110.

**Manager's house.** Should be wholly separate from the bank office, 127.

**Manchester.** Banks at, advanced money on mills, 23, 114; made advances to some of their own directors, 117; services of plate were presented to directors shortly before their banks stopped payment, 123.

— the Bank of, extract from its first report, 122; evidence of its directors before the Parliamentary Committee, *ib.*; failure of, *ib.*; had a large amount of drafts on London in circulation, 115.

**Manufacturers in Scotland** have no inducement to become bankers. Why? 334.

**Marshall, James,** the late secretary of the Provincial Bank of Ireland. His evidence as to whether banks should hold their reserves in Government securities, 44; his evidence as to the formation and management of the Provincial Bank of Ireland, 360.

**Masters.** Duties of towards their servants, applied to banks, 401.

**Memorandum.** What document is so called? 162. — of agreement, with regard to a lodgment of deeds in a bank as security for advances, 209.

**Memory, artificial.** Different systems of, 199; sometimes useful as applied to figures, 200.

**Merchants.** Advantages to, from keeping a banker, 5; their book-keeping, compared with the banker's book-keeping, 180.

**Mercury.** The god of merchants and bankers, who went in public procession to his temple at Rome every year, 404.

**Merits of clerks.** Different ways of ascertaining, 144; should influence their promotion, 136, 138, 146.

**Metropolitan Bank.** Wound up, and its business transferred to the Union Bank of London, 281.

**Mind.** Reproofs have most effect on the, when administered in seasons of affliction, 59; men of business apt to overlook, though among no class are mental phenomena more strikingly exhibited, 124; its energies are depressed by the fear of censure, or the dread of responsibility, 149; a sense of independence essential to the full development of its powers, *ib.*; how its faculties are affected by kindness and generosity, 125; how the minds of managers are influenced by the amount of their salaries, *ib.*; and those of directors, *ib.*; and those of clerks, 133, 138; its general cultivation renders its faculties more effective in every particular application of them, 412; public companies are triumphs of, *ib.*; advantages to public companies from servants of cultivated minds, *ib.*

**Mines, Royal.** The governor and company of, received assistance from the Bank of England, 114.

— coal. Not good security for a bank advance, 115; forbidden in some deeds of settlement, 301; mining associations should not rejoice when accidents occur in rival mines, 398.

**Minors,** under twenty-one years of age. In what cases they may accept bills of exchange, 34.

**Mona, Bank of.** A branch of the City of Glasgow Bank, in the Isle of Man, has a charter from the local government under this title, 308.

**Money.** A banker is a dealer in, 1; bank a safe place of deposit for, 2; effect of its increase, 52, 71, 86.

— origin of the word, 222; applied only to coin in banking book-keeping, 155.

— book. Describe it, 156; how superseded, 177.

**Moral agents.** What constitutes moral agency, 387, 413; are banking companies moral agents? 387; what duties have they to perform? 393; what reward or punishment follows the performance or non-performance of these duties? 413.

**Moral character of a party.** An element of the banker's security, 7.

— feelings. The cultivation of, improves the intellect, 401.

— sense. What is it, 413; absurdity of denying its existence, *ib.*

— influence. Of banking, 7; of cash credits, 334; of deposits, 339.

**Morris, James,** Governor of the Bank of England in 1848. His evidence as to the cause of the pressure in 1847, 64; his statement as to the liberality of the Bank of England, 95; his opinion as to the Bank of England discounting for country banks of issue, 291; his evidence as to the increase of notes required for circulation through the exclusion of the joint-stock banks from the clearing-house, 283.

**Moses.** An example to bankers, 15; was instructed to make use of other men, *ib.*; taught the doctrine of national responsibility, 390; his law against muzzling the mouth of the ox that treadeth out the corn, 402; cautions the Israelites against forgetfulness of God in the time of their prosperity, 404; his laws framed on a principle of righteous retaliation, 420; made laws in favor of the poor, 403; and, moreover, exhorted the people to voluntary benevolence, *ib.*

**Murray, Robert,** chief officer of the Provincial Bank of Ireland, 365; his evidence as to one bank of issue, 374; the tables he presented to the Lords' Committee, 379.

**NAMES** of talented men should not bias us in our inquiries after truth, 62.

**National Bank of Ireland,** 367; extracts from its prospectus, *ib.*; adopted the local shareholder principle, *ib.*; its chief connections at first among the Repealers, *ib.*; took the business of the London and Dublin Bank, 368; acts in some cases as a savings bank, *ib.*; the last statement of its affairs, *ib.*; its branches, *ib.*

— Exchange Company at Glasgow, 351.

**Nations.** Are moral agents, 390; can only be punished in their collective capacity in the present world, 412; in what way are they thus punished or rewarded? 390; the analogy between nations and public companies, 391.

**Nehemiah.** The letters of, quoted with reference to the Act of 1844, 74, 76.

**New accounts.** Precautions in taking, 19.

— connections. The best way of getting them, 59.

— joint-stock banks in England. Provisions of the Act for regulating, 308.

**Newcastle.** Banks at, advanced money on collieries, 114; and to corn merchants, 116.

**New York.** Par of Exchange between, and England, 196; an Act passed in that State relating to banking, 440.

**Nineveh.** Jonah's prophecy against, 392.

**Northampton Tables.** The probability of life by, 27.

**Northern and Central Bank.** Stopped payment in December, 1836, 65; could not have been assisted by the Bank of England in 1836 had the Act of 1844 been then in operation, 63; sold their branch at Leeds for £6,500, 114; debts due to the bank by their directors, 125; wound up, under the superintendence of the Bank of England, 306.

**Northern Banking Company at Belfast.** Its origin, 371; its capital, &c., *ib.*; its branches, *ib.*

**Note department.** What books are kept in the, 164.

— register. Describe it, 164.

**Noted.** Inland bills are noted, foreign bills protested, 31.

**Notes of hand.** Advances on, better than loans, 25.

**Notes in circulation.** How entered in the books, 167; how to calculate the time they remain in circulation, 188.

— on life, by J. Taylor, quoted with reference to money, 13; with reference to loans, 25.

**Notice of the dishonor of a bill of exchange.** What it should import, 36; *who* should give it, *ib.*; *when* it should be given, 37; to whom it should be given, *ib.*; must it be in writing? *ib.*

**Notices of calls on shares.** Form of, 216.

**Number of clerks.** Should not be too disproportionate to the work, 145.

— of persons who enter a bank. How to ascertain, 199.

— of banks of issue in the United Kingdom, 291.

**Numerous banks.** Not the result of competition, but of legislation, 318.

**Nursing an account.** What is it? 27.

**OATH of secrecy.** Required in a bank deed of settlement, 301.

**Obedience to the laws.** The duty of a public company, 394, 397.

**Office.** The arrangement of the, 126; administration of the, 127; the arrangement of, with regard to space, light, and ventilation, *ib.*; selection and appointment of the clerks, 129; the distribution of their duties, 131; the amount of their salaries, 132; the system of promotion, 136; rules of discipline, 139; training of clerks for higher offices, 144.

**One bank of issue.** A summary of the author's evidence respecting its probable effects, 243.

**Opinion, good, of their banker,** has been the means of raising people from obscurity to wealth, 7.

**Opinion of clerks as to each other's qualifications** are generally correct, 144.

**Order.** A banker should always observe a principle of order, 16, 117.

**Paid-up capital.** How is this account kept in the books, 169.

**Palmer, John Horsley, Governor of the Bank of England in 1832.** His evidence of the causes of the pressure of 1825, 53.

**Panic.** Wherein panic differs from pressure, 52, 72, 73; produces hoarding, 73.

**Par of exchange.** What is it? 196.

**Parentage.** Of a candidate for a clerkship, to be inquired into, 130.

**Paris.** The way of estimating the relative value of gold in Paris and London, 196.

**Partners.** Number of, in the joint-stock banks in England, 306; in each of the Scotch banks, 315; in each of the London private banks, 250; in each of the joint-stock banks in London, 230.

**Pass-book.** Describe it, 154, 427.

**Past-due bills.** How entered in the books, 163.

**Patriotism.** The duties of, 393; obedience to the laws, 394; to enforce the laws upon others, *ib.*; to support the civil power, *ib.*; to encourage the industry, trade, and fine arts of the country, *ib.*; to maintain a high-toned morality, 395.

**Paul, St.** Has twice quoted the enactment of Moses against muzzling the ox that treadeth out the corn, and applied it to the case of servants, 402.

**Payment to the Bank of England for conducting the public business,** 235.

**Peel's, Sir Robert, Act of 1844.** The practical administration of a bank under, 61; objections to the principle, 62; the amount of currency must fluctuate with the foreign exchanges, *ib.*; and also from a domestic demand for gold, *ib.*; a separation must take place between the banking and issuing departments of the Bank of England, *ib.*; great fluctuations would take place in the prices of the Government securities, 63; the

bank would be unable to afford assistance to the commercial classes in seasons of pressure, *ib.*

**Peel, Sir Robert,** his examination of the author in the Committee on Banks of Issue, 294.

**Penalty.** On drawing cheques on a bank beyond fifteen miles distant, 32; on banks that issue notes beyond the authorized amount, 235.

**Penny.** Origin of the word, 224; history of the penny, *ib.*

**Periods in a cycle of the currency,** 81.

**Philosophy of joint-stock banking,** by Mr. Bell. Quotations from, 102-104.

**Phrenology.** Not necessary to enable a banker to know the character of his customers, 18.

**Pocket-money.** How passed through the bank account, 427.

**Political economy of the Bible,** 418.

**Pollard, George,** manager of the London Joint-stock Bank, previously chief clerk in the private bank of Messrs. Williams, Deacon, & Co., 270.

**Population of the United States, and the number of banks,** 442.

**Portuguese bill.** The form of one, 39.

**Poverty.** It is better to prevent than to relieve, 410; produced by want of diligence, injustice, imprudent habits, neglect of religion, unkindness to the poor, 417.

**Pound.** What is a pound? 196, 222.

**Prayer.** It is the duty of the servants of public companies to pray for the prosperity of the company whom they serve, 403.

**Preliminary expenses.** How is this account kept in the books? 169.

**Presentment of a bill.** For acceptance, 32; for payment, *ib.*; when in reasonable time, 35; for payment, is legal at the clearing-house, 36; should we write presentment or presentation? 11.

**Pressure on the money market.** Definition of, 52, 71; preceded by a low rate of interest, speculative investments, and an unfavorable course of the foreign exchanges, 52; the pressure of 1825 was preceded by a reduction of interest on the public funds, acknowledgment of the South American Republic, speculation in commercial produce and foreign loans, failure of the banking-house of Sir Peter Pole & Co., 53; pressure of 1836 was preceded by speculations of all kinds, high prices, rejection of American bills by the Bank of England, reports on the joint-stock banks, failure of the Agricultural Bank of Ireland and the Northern and Central Bank of England, 53-55; pressure of 1839 preceded by abundance of money, — Bank of England sent gold to America, — importation of American securities, — unfavorable harvest, 55; the Bank of England obtained assistance from the Bank of France, 56; comparison between the pressures of 1836 and of 1839, *ib.*; pressure of 1847 preceded by a low rate of interest, speculations in railways, bad harvests and a high price of corn, failure of houses in the East and West India trade, facilities given to credit by the Bank of England and subsequent restrictions, failures of banks and discount brokers, 63, 64; administration of a bank in a season of pressure, 57; a banker who wishes to be easy in a time of pressure must act wisely in the previous season of speculation, *ib.*; steps to be adopted on the approach of pressure, 59; in the pressure a banker has three demands on his funds, *ib.*; means to be taken to meet them, *ib.*; no use to call up dead loans, or attempt to reduce discounts, *ib.*; a banker will have to give many refusals, 59; should be cautious in taking accounts from other bankers, *ib.*; should not attempt to get away the customers of other banks, *ib.*; how he should treat wealthy, but wandering customers, *ib.*; how he should treat customers in difficulties who apply for assistance, 60; whether he should increase his al-



- lowance of interest on deposits, *ib.*; should pay great attention to the published returns of the Bank of England, *ib.*; will extend his accommodation as the pressure declines, *ib.*; during the pressure a banker should pay great attention to the state of his health and the discipline of his mind, 61.
- Pressure of the year 1825, 53; of the year 1836, 55; of the year 1839, *ib.*; of the year 1847, its effect on the circulation of country banks, 294.
- how a banker should act in anticipation of one, 58; how during one, *ib.*
- Preston Banking Company. The only bank in England having a charter under the Act of 1844,\* 369; a return of their assets and liabilities, *ib.*
- Private banks. The administrative functions of the several partners, 107; how prevented in Scotland, 334; private accounts, who inspects them, 301.
- Taking the unsound business of, the cause of the failure of some joint-stock banks, 113.
- Proceedings of a general meeting of shareholders, 203.
- Profit. The source of a banker's, 2; how appropriated, 112; amount of the London and Westminster Bank, 269; of the London Joint-stock Bank, 273; of the Union Bank of London, 275; of the Commercial Bank of London, *ib.*
- and loss account balance-sheet. Describe it, 171.
- Profits, large. Bankers must not expect, under the Act of 1844, 80.
- Progressive-ledger. Describe it, 156; how are the balances brought out? 163.
- Promises. Must be kept, even when the keeping would be injurious to the parties who made them, 396.
- Promotion. Should go by seniority, unless there is great superiority of merit, 138; should not be too rapid, *ib.*
- Property. Has its duties as well as its rights, and its rights as well as its duties, 405; its rights are the first that are disregarded by an irreligious population, *ib.*
- Proprietors. Proceedings of, have sometimes been injurious to their banks, 122-124.
- accounts. Enumerate those accounts which are placed under this head in the general ledger, 166; how are they kept? 169.
- Proprietors' ledger. Describe it, 174.
- Prosecution. The Guarantee Society have power to prosecute all parties whose frauds they make good, 225.
- Prospectus of a new bank. What it contains, 203.
- Prosperity. Acquired by unrighteous means is transient, 422; and is not to be envied, *ib.*; obtained by virtue and piety should excite joy and thanksgiving, 423; it affords pleasure to God and to men, *ib.*
- Prosperous companies should examine if they have properly discharged their moral and religious duties, 422.
- Proverbs. Not found among those of Solomon, 417.
- Provident Clerks' Provident Fund. The rules of, 226.
- Provincial Bank of Ireland, 356; Act under which it was formed, 359; its objects, 360; state of banking in Ireland at the time of its formation, *ib.*; its constitution, 361; the selection of officers, *ib.*; the choice of directors, *ib.*; the daily committee, 364; the inspection of branches, 365; the declaration of a dividend, *ib.*; the causes of its prosperity, 366; last statement of its affairs, *ib.*; its branches, *ib.*
- Provisions of the Act of 1845, which regulates the issue of notes in Scotland, 313.
- for regulating the issue of bank-notes in Ireland, 352.
- Proxy, voting by. Form of letter, 203.
- Prudent habits. A source of wealth, 417.
- Prussian coin. English money reduced into, 222.
- Public companies. This is the age of, 387; are they moral agents, *ib.*; what are their duties towards the state, 393; what are the duties arising from their social relation, 395; what are their religious duties, 404; what are their duties towards the poor, 408; will they be rewarded for the performance of moral and religious duties? 412; when? *ib.*; how? 415; in what manner, 418; what are the deductions from this doctrine? 421.
- works in Scotland. Promoted by means of cash credits, 334.
- Punishments. How should they be administered? 150; of banks, 415; future, 414.
- QUESTIONS. With reference to the discounting of bills, 21.
- , a series of, on banking calculations, 201.
- Quotations. From Taylor's Notes on Life, 13, 25; Taylor's Statesman, 13, 104, 134; Bankers' Magazine, 18; Evidence given before Parliamentary Committees, 40, 282, 294; Sir W. Clay, 53; Reports of Lords' Committee, 63, 66; President of America, 75, 77; Bell's Philosophy of Joint-stock Banking, 102, 104; Mill's Political Economy, 132; Adam Smith's Wealth of Nations, 132, 175; Guarantee Society's Prospectus, 135; Times newspaper, 143, 344; Foster's Double Entry Elucidated, 150, 175; Babbage's Economy of Machinery and Manufactures, 175; Francis's History of the Bank of England, *ib.*; Wallace's Pocket Guide to Commercial Book-keeping, 183; Waterston's Commercial Dictionary, 192; Waterston's Manual of Commerce, 201, 222; Notes of a Book Worm, 222; Rules of the Provident Clerks' Benevolent Fund, 226; the Cambrian, a Welsh newspaper, 238; M'Culloch's Commercial Dictionary, 258; Dr. Franklin, 6; Bailey on the Laws of Bills of Exchange, 10, &c.; Chitty, on ditto, *ib.*; Byles, on ditto, 36; Glen, on ditto, in Scotland, 10, &c.; the Fifth Report of the London and Westminster Bank, 261; Foreign and Colonial Review, 241, 292; Reports of Parliamentary Committees, 301, 312; Bell's Letters to J. W. Gilbart, 320, 323, 326; Kinnear on Exchange Companies, 348.
- RAILWAY deposits. How managed through the banking department of the Bank of England, 70, 92.
- Railways have diminished the amount of country notes in circulation, 293; railway speculators are dangerous customers to a bank, 116; companies should not rejoice when accidents occur on a rival line, 398; have very properly prohibited smoking in their carriages, 403.
- Reader's Time Tables, 186.
- Reasonable time for presenting a bill or cheque. What is it? 35.
- Receipts. Not usually given by London bankers, 154; what is the form of a shop receipt, *ib.*
- Re-discounting of bills. Advantages and abuses of the practice, 22; not done by London bankers, 47; why not by the Scotch banks, 323.
- Reduction in the amount of fixed issues of banks since the passing of the Act of 1844, 291.
- Refusals. A banker will have to give many in seasons of pressure, 59; should always be given with courtesy, 106, 402.

\* Another has been recently formed, in London, called the British Bank.

**Regulations for settling the bank exchanges at Edinburgh,** 344; at Dublin, 335.  
**Relief granted to distressed clerks,** 228.  
**Religion, pure.** What is it? 403; is the friend and guardian of the poor, 407.  
**Religious duties.** The foundation of, 390; public companies are bound to perform, 387; what are the chief that devolve upon public companies, 403; in what way will their performance be rewarded, 418.  
**Remittance.** Banks of, 4.  
**Reports.** Required from the banks of New York, 440; made quarterly to the Government, 441; what it must contain, *ib.*; to be published in the local newspaper, *ib.*; penalty for non-compliance, 441; the comptroller may appoint a competent person to examine into the affairs of any bank, *ib.*; the capital of banks subject to taxation, *ib.*; table of all the banks in the States, 442.  
**Reproofs.** How should they be administered, 150.  
**Requisition Notes.** Forms of, 213.  
**Reserves of bankers.** In what should they be held, 44? of the Bank of England, 89.  
**Respectability.** A banker is a referee as to the respectability of his customers, 6.  
**Responsibility, national.** The doctrine of, taught by Moses, 390; proved by history, 391; is not destructive of personal responsibility, *ib.*; of individuals connected with public companies, 393.  
**Restrictions.** On the issue of the country banks, 70; on the banks of Scotland, *ib.*; and of Ireland, *ib.*  
**Retaliation.** A principle of righteous retaliation is the prevailing principle of the Divine government, 419; is the principle of the Mosaic law, *ib.*; recognized in the denunciations of the prophets, *ib.*; illustrated by historical facts, 420; is agreeable to the feelings of human nature, *ib.*  
**Retired.** When is a cheque or note said to be so? 154.  
**Returns.** All banks to make a return to the stamp office of the names of their partners, on the *first day of January* in each year, or within *fifteen days* afterwards; the commissioners shall publish their names in some local newspaper before the *first day of March* following, 249; monthly returns of the assets and liabilities required under the new Act, 309.  
**Rewards and punishments.** Essential to moral agency, 412; *when bestowed on public companies, ib.*; what is their nature, 415; in what manner are they bestowed? 418; what effects should they produce? 424.  
**Rich men.** Advances to, sometimes become dead loans, 23.  
**Righteousness in dealing.** A source of wealth, 417.  
**Rights of property.** Are as sacred as any other rights, 405.  
     — *social.* Divided into perfect and imperfect, 406.  
**Rivalry between bankers.** Injurious, 123; not advisable in seasons of pressure, 59.  
**Rogers's Chapters on Country Banking.** A useful work, 203.  
**Rome.** In ancient, the merchants and bankers had an annual procession to the temple of Mercury, 404.  
**Royal Bank of Ireland.** Its formation, 371; the last statement of its affairs, *ib.*  
     — *Exchange.* Exhibits the religious mottoes of the City of London and the Mercers' Company, 404.  
**Rules of discipline in a bank,** 139.  
**Rumors are rife in seasons of pressure,** 59; a banker should not occasion, 61.

**SABBATH-DAY.** The duty of public companies to reverence, 406; its design, *ib.*; its abolition would be injurious to the poor, 407.  
**Salaries.** Of clerks, rules respecting, 132; of managers, 124; of directors, 125.  
**Sanderson & Co., bill-brokers.** Stopped payment through the failure of Lesley, Alexander, & Co., corn merchants, 116.  
**Savings banks.** In what cases money should be placed there, 430.  
     — at St. Clement Danes. Terms for granting annuities, 230; the National Bank of Ireland acts as one, 363.  
**Scale of salaries.** Desirable, 133.  
**Scrimgeour, William Wilson.** General manager of the Union Bank of London, previously a chief officer in the discount department of the Bank of England, 274.  
**Scotch banks.** Their investments in Government securities, 44, 46.  
**Scotland.** Principles of banking in, 3; bills drawn from, regarded as foreign, 31.  
     — the laws of, with reference to banking, 311; the existing banks of, 314; comparison between the banks of Scotland and those of England, 319; the laws of the currency in Scotland, 327; its cash credit system, 332; its deposit system, 336; remittances to India, 340; regulations for settling the exchanges, 344; exchange banks and exchange companies, 346; different effects of the Bank Acts of 1845 in Ireland and in Scotland, 353, 379; keeping a banker more general in Scotland than in England, 325, 428.  
     — banks in. List of those in existence in 1826, 314; of those formed since, *ib.*; of those now in existence, 315; of the changes that have taken place, 316; of those that have failed or wound up, 318; of the nine that remain, *ib.*; of those in Edinburgh, 319; of those in Glasgow, *ib.*; difference between Scotch banks and English banks, *ib.*; capital of all the banks in Scotland, 321.  
     — branch banks in. Number of, 291; more general in Scotland than in England, 319; average amount of capital and of circulation to each branch, 321; branch system leads to uniformity in charges all over Scotland, 322; branches of the Edinburgh banks have been opposed and sometimes defeated by the local banks, 323; branches enable the bank to avoid re-discount, *ib.*; produce uniformity in the mode of making the exchanges, *ib.*; enable the large banks to exercise a surveillance over the small ones, 326; the number of would be diminished if the notes under £ 5 were abolished, 331.  
**Scripture.** Proves that relations imply corresponding duties, 333; proves national responsibility, 390; family responsibility, 391; collective responsibility of cities, 392; states the principles of social duties, 395; denounces those who violate the Sabbath-day, 406; enforces the duty of benevolence to the poor, 408; gives the rule for exercising it, 409; concurs with reason in regard to a future judgment, 414; all its threatenings against public bodies of men have reference to the present world, 415; do not teach that wealth is an evil, *ib.*; nor that its enjoyments are sinful, 416; promises wealth as a reward to the pious and the virtuous, *ib.*; specifies the virtues which are followed by wealth, 417; declares the doctrine of a righteous retribution in the present world, 419.  
**Seasons of pressure.** Characteristics of, 53.  
     — of speculation. How a banker should act in them, 57.  
**Securities.** A banker will probably have to realize some in seasons of pressure, 53.  
     — for clerks, 135; Guarantee Societies, *ib.*  
**Secrecy.** On the part of directors and clerks en-

- joined in deeds of settlement, 301; form of a declaration of, 207.
- Self-dependence.** Bankers should conduct their banks on a principle of, 78; should not depend on the Bank of England for assistance in seasons of pressure, 79; nor on bill-brokers, *ib.*; nor on other banks, 80.
- knowledge. Necessary to a banker, 13.
- Seniority.** Should be observed in the promotion of clerks, unless there are special reasons for the contrary, 138.
- Servants.** He who keeps a banker need not trust his money to his servants, 3; duties of banks towards, 401; duty of servants towards the bank, 402; advantages of religious ones, 411; advantage to a bank of educated ones, 412.
- of banks and other public companies.
- What are their duties? 402.
- Shareholder's register.** Describe it, 171.
- in joint-stock banks. Are liable to the full extent of their property for all the debts of the bank, 263, 300; the same under the new charters, 310; the same in Scotland, 311, 319; and in Ireland, 357; they choose the directors, 301; can dissolve the company, *ib.*; have sometimes acted unwisely, 123; their conduct towards the servants of the bank, 400.
- Shares in bank.** Under the new Act cannot be less than £100, 309; amount of in the joint-stock banks of London, 280; of the banks of Scotland, 315; of the banks at Belfast, 371; banks formed under the new Act not allowed to purchase or make advances on their own shares, 309; existing banks not thus restricted, 301; prices of shares in the banks of Scotland, 315.
- in public companies. Advances on by bankers, become dead loans, 24.
- Shillings.** The origin of the word, 223.
- Signature book.** Describe it, 154.
- Silver.** Its specific gravity, 196; how coined, *ib.*
- Sin.** The besetting, 13, 124.
- Singing.** In moderation, good for the health of bank clerks, 141.
- Single entry.** Wherein does it differ from double entry, 183.
- Singular.** Is the word "bank" singular or plural? 8.
- Situation-book for clerks.** Where is one kept? 229.
- Small banks.** The evil of, 108; the result of legislation, 313, 379.
- Smee, Alfred.** The surgeon of the Bank of England, 141.
- William Rae. His improvements in the book-keeping of the Bank of England, 175.
- Smith, Adam.** His observations on wages, 132; on the division of labor, 175.
- Smoking.** In the street and in places of public resort, is improper, 404.
- Smuggling.** In what cases a smuggling consideration vitiates a bill of exchange, 33.
- Social duties.** 395; speak ye every man the truth, *ib.*; ye shall not steal, nor deal falsely, *ib.*; let not wickedness dwell in thy tabernacles, 396; speak not evil one of another, 397; meddle not with them which are given to change, *ib.*; love thy neighbour as thyself, 398; if thine enemy be hungry, feed him, *ib.*; do what is just though the law may not require it, *ib.*; be all of one mind, pitiful, courteous, 400; use hospitality, 401; oppress not a stranger, *ib.*; give to your servants what is just and equal, *ib.*; servants, be obedient to your masters, 402; visit the fatherless and widows in their affliction, 403; do good unto all men, *ib.*
- Social position.** The efficiency of a manager will depend upon, 121; those who have risen in the world should entertain kind feelings towards the class from whence they have sprung, 401; social life among the Hebrews, 403.
- Social relations.** Are the foundation of social duties, 388; public companies are capable of sustaining, *ib.*
- Sovereignty of the Divine proceedings,** 420.
- Space.** An important consideration in the construction of a bank, 127.
- Spanish bill.** The form of one, 39.
- Special contracts.** Forms of, used previous to 1844, when a banking company could not sue by its public officer, 216.
- Speculation, reckless.** Has been the ruin of companies as well as of individuals, 397.
- Speculations.** Are produced by a low rate of interest, 53; are the precursors of pressure, 57.
- Speculative customers.** Troublesome to bankers, 57.
- investments. Usually precede a season of pressure, 53.
- Stamp-duty on notes.** How to calculate the composition of, 188.
- Stamps.** On bills of exchange, 33; on receipts on transfer of shares, 172; on bank notes, 284.
- State.** Duties of public companies towards the, 393.
- Statement-book.** A printed collection of the weekly statements of the affairs of a bank bound together, is so called, 173, 433.
- Statesman, the, by Mr. Taylor.** Quotations from, on decision, 13; on making use of other men, 15; on the age of members of public boards, 104; on the union of wisdom and goodness, 131; on the salaries of clerks, 134; on the rules of promotion, 138.
- Stationery.** In a bank, is under the care of the chief clerk, 140.
- St. Marylebone Bank.** Wound up, and its business transferred to the London and Westminster Bank, 281.
- Stewart, P. M., M. P.** Letter from the author to, on the exchange banks, 346.
- Stock-book.** Describe it, 163.
- brokers' charges, 191.
- Exchange. Explanation of its operations, 49; bankers' loans there, 50; the Dublin, 383.
- jobbers. Wherein different from stock-brokers, 48.
- purchase of. How to calculate, 191.
- receipt. Form of one, 49.
- Stolen note, or bill of exchange.** The law respecting, 34.
- Strahan, James.** Has familiarly described the operations of country banking, 426.
- Stuckey, Vincent, the late.** His opinion on investments, 44.
- Supplementary-waste-books.** Describe them, 179.
- Surplus fund, a.** The nature of, 112; how appropriated, *ib.*; the advantages of, 113; how kept in the books, 169; amount of among the joint-stock banks, 303-305.
- funds. Administration of a bank with regard to the employment of, 41.
- Suspension of the Act of 1844.** Was its condemnation, 63; may be suspended again, 76.
- Swedish bill.** The form of one, 39.
- System.** A want of, has caused the ruin of some banks, 117; a banker should observe, 16.
- TABLE.** Showing the number of days the different denomination of notes remain in circulation, 189; showing the relative value of gold in London, Paris, Hamburg, and Amsterdam, 221; table of English money reduced into foreign, 222; table of the terms on which government annuities are granted for £30 and under, 230; comparative view of the expectation of life according to different tables of mortality, 231; of the circulation of notes by the branches of the Bank of England, 239; ditto, of drafts, *ib.*; amount of transactions in the clearing, 256, 257; capital, profits, dividends, and surplus fund of the London and West-

**Minister Bank**, 269; ditto, of the London Joint-stock Bank, 273; ditto of the Union Bank of London, 276; ditto of the Commercial Bank of London, *ib.*; of the affairs of all the London joint-stock banks, 280; of stamp-duties on country notes, 284; reduction of the fixed issue of notes in England, 291; circulation of the private and joint-stock banks from 1845 to 1848, 294; of all the country joint-stock banks in England, 302; the joint-stock banks that have stopped, 305; those that have wound up, 306; those that have stopped and resumed, 307; those that have merged in other banks, *ib.*; banks of Scotland in 1826, 314; banks since formed, *ib.*; existing banks in Scotland, 315; changes in Scotch banks, *ib.*; circulation of notes in Scotland, 1834 to 1839, 327; ditto in 1846 to 1848, *ib.*; notes and gold, 1842 to 1847, 323; circulation of each bank during 1848, 329; ditto in March 1849, 330; of the banks of Belfast, 371; circulation of notes in Ireland, 373; returns from the banks of issue in Ireland, 379; circulation and coin in Ireland, *ib.*  
**Taking accounts from other banks**, 19, 59.  
**Talents, banking.** As rare and as important as those necessary to obtain eminence in any other pursuit, 13.  
**Taxes.** On the transfer of property, are pernicious, 348; restrictions on banks are taxes on the public, 323.  
**Taylor's Notes on Life.** Quotation from, on money, 13; respecting loans, 25.  
**Statesman, quoted.** On decisiveness, 13; on the choice of instruments, 14; the correspondence between goodness and wisdom, 131; on the salaries of clerks, 134; on the promotion of clerks, 134.  
**Teller's department in a bank**, 136.  
**Temper, hasty.** A defect in a banker, 13; is tried by being kept waiting a long time at a banker's counter, 129.  
**Terms.** Used in book-keeping, 154.  
**Tester, an old coin.** Why so called, 223.  
**Testimonials.** To be received with caution, 131; may be negatively useful, *ib.*  
**Till.** The amount of cash a banker keeps in his till, how regulated, 42.  
**Time.** A banker should know how to economize, 16; modes of doing this, 16; time saved in keeping a banker, 426.  
**— bargains on the stock exchange explained,** 50.  
**— is saved.** By the employment of assistants, 15; by methodical habits, 16; by the shortening of interviews, *ib.*; by a banker having general principles, 18.  
**Tipperary Joint-stock bank**, 372; its arrangement with the Bank of Ireland, *ib.*; its branches, 373.  
**Tradesman.** Saves trouble in keeping a banker, 5.  
**Training.** Of clerks for higher offices, 144; their number should be proportionate to their work, 145; their labor should be so apportioned as that each office should be a training for the one above it, *ib.*; they should have reasonable holidays, when the junior should do the work of his senior, 145; they should all be exercised at the daily balance, 146; those in training for managers should be assigned those duties which are the most intellectual, 146; should not receive too many minute instructions, 148.  
**Transfer of stock**, 191; in Ireland, 393.  
**— register.** Describe it, 172; deed of transfer, form of, 154.  
**Transmission of money.** Effected by banks, 4, 264.  
**Travellers, commercial.** Derive advantages from banks, 5.  
**Trial paper.** What is it? 170.  
**Troy weight.** Gold and silver weighed by, 196.  
**Truth.** Cases in which public companies should especially adhere to, 395.

**Ulster Banking Company**, at Belfast. Its formation, 371; statement of its affairs, *ib.*; and branches, *ib.*  
**Uncharitable.** Public companies should not be so in their judgment of each other, 421.  
**Union Bank of London.** Its formation, 274; its capital, profits, dividends, and surplus fund, 275; its prospectus, *ib.*  
**Union Guarantee and Life Assurance Company**, 135.  
**— Exchange Company, Glasgow**, 351.  
**United States of America.** Their population, and the number, capital, and circulation of all their banks, 450. *See America.*  
**Universality, a moral.** Differs from one that is metaphysical or physical, 413.  
**Unjust charges against banks of issue.** Prevented by the act of 1844, 288.  
**Unpaid list.** Describe the book so called, 160.  
**Unsanctified property.** Is transient, and is not to be envied, 422, 423.  
**Unsuccessful companies.** Should inquire if they have properly discharged their moral and religious duties, 423.  
**Usury.** In what cases a usurious consideration vitiates a bill of exchange, 33; present laws of usury, *ib.*  
**Utility of banking.** Banks are places of security for money, 3; interest allowed on deposits, *ib.*; make advances to people who want to borrow, 4; transmit money from one part of the country to another, *ib.*; supply the kind of currency that is required, 4; there is a great saving of time in money transactions, 5; saves expense to merchants and others who keep bankers, *ib.*; are referees as to respectability, 6; are a means of obtaining information about parties, *ib.*; supply a record of annual expenditures, 6; are a secure place of deposit for deeds, papers, or other property, 7; means of obtaining useful information as to monetary transactions, *ib.*; have a powerful influence on the morals of society, 7.  
**VENTILATION.** An important consideration in the construction of a bank, 127.  
**Virtue.** Always associated with wisdom, 131.  
**Virtues, commercial.** Bankers are the public conservators of, 7; virtues that produce wealth, 416.  
**WAGES.** Those who pay, derive advantages from banks, 6; laws by which they are governed, 132.  
**Waste-books.** Received-Waste-Book, describe it, 156; who keeps this book? 156; how do you enter Bank of England notes? cheques? country notes and coins? 155; how is it ruled in the horizontal system, and how does it check itself? 176.  
**Paid-Waste-Book.** How is it ruled? 156; when a cheque is paid, how do you make the entry? *ib.*; how is this book ruled in the horizontal system? 177; how will it check itself? 178. **Merchants' Waste-Book**, 180.  
**Waterston's Commercial Dictionary** quoted, 192; his Compendium of Commerce referred to, 201, 222.  
**Wealth.** Is a blessing, 416; its enjoyments not sinful, 416; the means of obtaining, *ib.*; ill-gotten, is soon lost, 422.  
**Weekly-balance.** describe it, 170.  
**— returns, under the Act of 1844**, 97.  
**Weighing sovereigns.** Troublesome, 5.  
**West of Scotland Exchange Investment Company**, 351.  
**Westminster Review of January, 1841.** An article written by the author published in, 62. *See Currency and Banking.*  
**Widows.** Public companies should have funds for relieving, 403; mining and railway companies should relieve those whose husbands have been killed in their works, *ib.*

**Wife.** Should examine the banker's account when the husband is too lazy to do so, 430; should have a separate account in her own name for domestic expenses, 428; her acceptance of a bill is not binding on the husband, unless she had his authority to act as his agent, 34.

**Winding up Act, 1848.** An Act for winding up the affairs of trading companies, including joint-stock banks, 310.

**Wisdom.** More necessary than talents in a banker, 12; implies prudence and discretion, 14; to hearken unto counsel, a proof of, 424.

**Wisely to act.** More difficult to a banker in a season of speculation than in a season of pressure, 57.

**Wool speculators.** Banks have lost money through advances to, 118.

**Worship, public.** Public companies should support, 416.

**Wright & Co., private bankers,** in Henrietta-street, Covent-garden. Their premises now occupied by the Commercial Bank of London, 275; some of the partners engaged as managers of the Western Branch of the London Joint-stock Bank, 271.

**Writer.** A good one should be appointed to write up the customer's books, 143.

**Writing well.** Importance of, 151.

— **masters.** Their mode of teaching, 151.

**Young men of good character.** How benefited by cash credits, 333.

**AN AUSTRALIAN CALIFORNIA.**—"Even gold may be purchased too dear."—In another part of this paper will be found an extract from the *Sydney Morning Herald* of the 20th of May, containing an announcement of a most exciting character, copied from the *Bathurst Free Press*, of the discovery of a new California in the mountain ranges near the latter place. This seems to be the only information which has reached this country on the subject, as we have ascertained that no official intelligence what ever has been received concerning it. The paper which contains it comes by the way of Singapore, and by the India overland mail. The account, therefore, as copied from a provincial Australian paper, is wholly unsupported by any other evidence. It is, however, so precise and circumstantial that there is every reason to believe that it is at least founded in fact. We cannot, however, forget, that only a year ago a fever which for the moment was equally strong, and for which there appeared to be at least equally good grounds, raged for a few weeks in another part of the Australian colonies. It, however, soon died away, and nothing is now heard of it.

But if the accounts of the *Sydney Morning Herald* be true, is the discovery a subject for congratulation? We venture to say, No. The experience during the last three years of the United States with regard to California, has proved how true the old adage is, that "even gold may be bought too dear." Individuals may have acquired fortunes by the Californian discovery, but there can be no doubt that, as a country, the United States is to this time enormously out of pocket by it. We hear of the large sums of gold-dust brought by each packet; but we hear little of the far larger sums that have been sent there in one shape and another since the gold discovery was made. To use an American phrase, California is the most "indebted" portion of the globe to the Eastern States at this moment, — an "indebtedness" which we fear there is but little chance of ever being wholly liquidated. In short, with some exceptional articles, and at some exceptional times, California has been the only losing market to the United States for the last three years. To say nothing of the enormous losses by fire, robbery, and tempest, we have reason to doubt if all the American citizens who have left the old States for California have really made, upon an average, the ordinary wages of common laborers in New England. The best evidence of this view of the case is, that nearly all the failures of importance which have occurred during the last two years in the United States can be traced to transactions with California. Our observations are now confined only to the subject as a matter of profit or loss, and without any reference to the social and moral consequences which have resulted to the numerous emigrants to that country.

With such slender accounts from New South Wales on the subject of this discovery, it is not necessary that we should speculate upon the consequences at present. All that we are desirous of now doing is, in the first place, to caution those engaged in the trade of the colony against placing too much faith in the accounts; and, in the next place, against rushing into those disastrous extravagances which the Americans did, even though the accounts should hereafter prove true. It is a curious fact that much, if not by far the greater portion, of the monetary difficulties which at this moment afflict the United States, can be traced to a discovery which has brought millions of gold into the country, and is daily bringing more. — *London Economist*.

## LEGAL MISCELLANY.

## RECENT CASES IN LIFE INSURANCE.

From the English Common Law Reports.

*Declaration as to habits of insured, material, though shown not to have affected the risk.* Southcombe v. Merriman, &c., Carrington and Marshman's Reports, p. 286.

THE declaration was on a policy of insurance upon the life of Peter Stoneman, made by the plaintiff at the office of the defendants, for £ 400, dated the 2d of October, 1839; it set out also the declaration made by the plaintiff as to his interest in the life, and as to the health and sober and temperate habits of the assured, the liability of the company, and the death of Peter Stoneman. Plea, that the declaration made by the plaintiff was not true as to the sober and temperate habits of Peter Stoneman, but that he was of intemperate and drunken habits, and so the policy was void.

For the plaintiff it was shown that Stoneman was a man of strong constitution; though it was admitted that he was not a man who was never intemperate, but that he would sometimes spend a day or two at the Somerset Arms, where he would drink five or six pints of ale in the course of the day, but that he was not systematically intemperate; that he never took enough to hurt him; that he had not the appearance of a man affected by the habitual use of liquor; and a medical witness said that Stoneman died of inflammation in the lungs, which inflammation was totally unconnected with intemperance or habits of drunkenness.

Bompas, Sergeant, for defendants. The argument on the plaintiff's side is in effect this: "That the office has no right to resist their claim, because, if they can show that the man's health was good, if his constitution remained unimpaired, it did not matter whether the man was a drunkard or not." Our answer is, The contract stipulates that the insured shall be of sober and temperate habits. The witnesses for the defendants proved the contrary of the former evidence, — that the deceased was a notorious drunkard; that he had been often turned away from his employment for this fault; some of them had seen him drink fifteen pints of cider before dinner, and he would be away for a week or a fortnight together, drinking. This habit was said to have lasted up to the time of his death, and to have begun before any of the witnesses could recollect its commencement, though some of them had known him many years; all the witnesses spoke to his general drunken habits. Some had been his companions and others had seen him constantly. It was said that he drank harder in 1849 than he had ever done, and the plaintiff himself had been heard to speak of his drunken habits, and to blame him for them.

Erle in reply.

Coleridge, J. (in summing up). The question on the record is re-

specting the habits of Peter Stoneman, the deceased. You have to say whether, upon the 2d of October, 1839, and for such a reasonable time backwards as would allow of a man evincing a habit, Stoneman was a temperate man. It is said by the plaintiff's counsel that the question is whether the deceased was intemperate to such a degree as to injure his health. I differ from that position, for the Society have a right, from many motives of their own, to act upon what rules they please, and to stipulate, as in this case, that, even though a man's health be not impaired, every person whose life is insured at their office shall be a person of temperate habits. His Lordship then went over the evidence, and concluded, You ought to say, upon the weight of this evidence, whether the man Stoneman were of sober and temperate habits at the time of the insurance.

Verdict for plaintiff.

Afterwards, in Easter term, the defendants obtained a rule *nisi*, to set aside the verdict as being against evidence.

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*Misrepresentation of fact, in answer to parol inquiries at time of effecting insurance, an avoidance of the policy.* Wainwright, Executor of Abercromby, deceased, v. Bland and others, 1 Tyrwhitt and Granger's Reports, p. 417.

ASSUMPSIT against the defendants, who were three of the directors of the Imperial Life Assurance Company, on a policy of insurance dated the 22d of October, 1830, insuring the life of the deceased, Miss Helen Abercromby, for the period of two years. The declaration alleged that Miss Abercromby died on the 21st of December, 1830, having made her will on the 13th of that month, whereof she appointed the plaintiff sole executor. Plea, the general issue.

At the trial, before Lord Abinger, C. B., at the Westminster Sittings, after last Michaelmas term, it appeared that, on the first attendance of the deceased at the office of the company, she was accompanied by the wife of the plaintiff, who was her half-sister, and then represented that the object of the insurance was to secure a sum of money to the latter, which she should be enabled to do provided she survived the period of two years; that on being questioned by the actuary, whether she had effected any other insurances upon her life, she replied, that her wish was to insure £ 5,000, and that as the Imperial Life Insurance Company would only take £ 3,000, she should propose to insure £ 2,000 with some other office; that when she attended at the office on the day the policy was completed, she was told by the actuary that the directors were displeased at the answer she had given to his question on the former occasion, they having ascertained that she had insured £ 5,000 with another office, and had made a proposition to a third, to which she replied, that she knew little about the matter herself, as she did as her friends directed. It was shown that she had, previous to obtaining the policy in question, effected insurances with various other offices to the

amount of £ 10,000. The death of Miss Abercromby took place rather suddenly, on the 21st of December following, she having, by a will bearing date on the 13th, and of which the plaintiff was the sole executor, bequeathed the benefit of her policies to her sister, Mrs. Wainwright. A witness proved that the plaintiff, soon after Miss Abercromby's decease, showed him two wills, stating that they were made in order that, if one failed, the other might do for him. It appeared also that the plaintiff, in taking out probate, swore the personalty under £ 100, and that Miss Abercromby had been in indigent circumstances, and without the means of paying the premiums upon the policy, which were in fact paid by the plaintiff. The printed list of questions which the assured, by the rules of the Imperial Office, was required to answer, contained no question as to the object of the party in making the insurance, or as to any insurances effected with other offices. The Lord Chief Baron in summing up took the opinion of the jury upon the following points:—1st, Whether Miss Abercromby effected the policy with the Imperial Office for her own benefit or as the agent of the plaintiff. 2dly, Whether the representation respecting her having insured her life in other offices were false, and were material to be known by the assurers. And 3dly, Whether she misrepresented the object for which she sought to insure her life for two years, and whether such object was material to be ascertained by the defendants. The jury found that she effected the insurance as the agent of the plaintiff, and that her representations, both as to having insured in other offices and as to her object in insuring, were false, and were made on material points, whereupon a verdict was entered for the defendants.

Erle, now moved for a new trial, and contended that the intention or even the conspiracy of third parties was not admissible in evidence in the present case. Admitting that the fact was established at the trial, that the effecting of the policy was a scheme on the part of the plaintiff, yet, as the defendants made their contract with another party, they cannot set that up as a defence. Also the contract was one from which no benefit could arise until Miss Abercromby's death; and therefore, whether she effected the policy for her own benefit or for the benefit of Wainwright was not the question which ought to have been submitted to the jury. Moreover, it appeared that she was to pay the premiums. (Parke, B. But the plaintiff was to furnish her with the money. Lord Abinger, C. B. The jury have found that she made the insurance as the agent of Wainwright.) Where the deceased by her representative claims the amount of the policy, it is not competent for the defendants to set up an intention that a third party was to have the benefit of that policy. (Lord Abinger, C. B. If the facts are as the jury have found them, it is a clear evasion of the statute of 14 Geo. III. c. 48. Parke, B. Your argument is, that any person may insure his own life and give the benefit to another, from whomsoever the funds may come.) The act was never meant to apply to the case of an individual who insures his own life, and at all events it is sufficient to satisfy the statute, if the party has the legal interest in the policy. With respect to the questions which were asked of the deceased, it appeared that it was not the practice of



the office to make the inquiries when they knew the parties, or any of the referees, which was the case here. (Lord Abinger, C. B. But the inquiries were made.) The defendants, having in accordance with the rules required answers to certain questions in writing, were not at liberty to add parol inquiries at the time, and at any rate they cannot make use of the replies given to such parol inquiries, in order to avoid the policy which, as framed, is only rendered void by a false representation in writing. (Gurney, B. It may be requisite to ask many material questions before the making of the written contract. The inquiries that were made did not bear upon the probability of the assured living for two years, which was the material point for the office to ascertain.)

Lord Abinger, C. B. There may be a doubt upon the first ground, although I own that I have a strong opinion against it; but with respect to the other point, it is quite clear that the policy was avoided by the false representations.

Parke, B. If there has been a suppression of material facts, a policy of insurance cannot be enforced. (Lindeman v. Desborough, 8 B. & C. 586; S. C. 3 M. & R. 45.) And here, if the answers given were false, they must have been wilfully so. If it had been necessary to decide the other point, I should have felt disposed to grant a rule in order to give it further consideration.

Gurney, B. Concurred.

Rule refused.

*Bankruptcy of insured, no defence in an action to recover premiums paid by assignee of policy.* Topin v. Field, 4 Adolphus & Ellis's Reports, N. S. p. 386.

DEFENDANT being indebted to plaintiff, assigned to him a policy of assurance on defendant's life, and covenanted to pay the annual premiums, and if he did not, and plaintiff paid them, to repay plaintiff. Defendant afterwards became bankrupt, and obtained his certificate. A premium accruing due after the bankruptcy, and being unpaid by defendant, and plaintiff having paid it, and not been repaid, held, that plaintiff was not discharged from liability for these breaches of covenant by sections 56 and 121 of stat. 6 Geo. IV. c. 16.

Lord Denman, C. J. This was an action of covenant upon an indenture dated in 1830, which recited a transfer of a policy of insurance upon the life of the defendant, dated in 1822, to secure the repayment of a sum of money lent by the plaintiff to the defendant, and contained a covenant by the defendant, that he would pay the premiums of insurance to the insurance company, and that if upon his default the plaintiff paid the premiums, he would repay him. Breaches were assigned upon the covenant. To this the defendant pleaded his bankruptcy, after the breaches declared upon had been committed; and the question was whether the defendant was discharged from liability on his covenant by his bankruptcy and certificate.

For the defendant, it was contended that, the debt to secure which the

policy of insurance had been assigned being provable under the commission, and the remedy to recover it barred, the bankrupt was discharged from liability to keep up the security ; and that the amount recoverable under the covenant constituted a contingent debt, provable under the commission within the 56th section of statute 6 Geo. IV. c. 16.

It is unnecessary to refer particularly to the cases cited upon the argument ; for we are clearly of opinion, and our judgment is in accordance with all those cases, that the liability of the defendant to pay the premiums of insurance to the insurance office did not constitute any debt between the bankrupt and the plaintiff, either contingent or otherwise, and consequently was not provable under the commission.

The covenant is quite collateral to the original debt which the policy was assigned to secure ; and the claim is for unliquidated damages, which might be more or less according to circumstances ; the case of *Atwood v. Partridge*, 4 Bing. 209, is in principle the same as the present ; and our judgment is in accordance with it. If, instead of the assignment of a policy of insurance upon a life to secure the debt, a house had been assigned, with a covenant to keep it insured from fire, it could hardly be contended that the bankruptcy of the covenantor would have discharged him from liability upon such a covenant ; but such would necessarily be the result if we held the defendant discharged in the present case.

Our judgment, therefore, is for the plaintiff.

Judgment for plaintiff.

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*Construction of words importing disease.* Geach and another, Assignees, &c. v. Ingall, 14 Meeson and Welsby's Reports, p. 95.

ASSUMPSIT on a policy of assurance on life, one of the terms of which was, that it should be void if any thing stated by the assured in a declaration or statement given by him to the directors of the insurance company before the execution of the policy should be untrue. In this declaration the assured stated that " he was at that time in good health, and not afflicted with any disorder, nor addicted to any habit tending to shorten life ; that he had not at any time been afflicted with insanity, rupture, gout, fits, apoplexy, palsy, dropsy, dysentery, scrofula, or any affection of the liver ; that he had not had any spitting of blood, consumptive symptoms, asthma, cough, or other affection of the lungs ; and that one T. W. was at that time his usual medical attendant. The declaration in the cause averred the truth of this declaration and statement of the assured. The defendant pleaded pleas, respectively alleging, — 1st — 5th, that the said declaration and statement of the assured was untrue in this, that at the time of making it he had had spitting of blood, consumptive symptoms, an affection of the lungs, an affection of the liver, and a cough of an inflammatory and dangerous nature ; 6th, that at that time he was affected with a disorder tending to shorten life ; 7th, that

VOL. I.

35

he was not at that time in good health; and, 8th, that he had falsely averred therein that T. W. was his usual medical attendant. Issues were joined on these pleas.

The defendant proved at the trial, that, about four years before the policy was effected, the assured had spit blood, and had subsequently exhibited other symptoms usual in consumptive subjects; and that he died of consumption three years after the date of the policy. The judge, in summing up, read over the several issues to the jury, and in the course of it stated to them, that it was for them to say whether, at the time of his making the statement set forth in the declaration, the assured had had such a spitting of blood, and such affection of the lungs and inflammatory cough, as would have a tendency to shorten his life. Held, that this was a misdirection; for that, although the mere fact of the assured having spit blood would not vitiate the policy, the assured was bound to have stated that fact to the insurance company, in order that they might make inquiry whether it was the result of the *disease* called spitting of blood.

Pollock, C. B. On this point the learned judge certainly misdirected the jury, and, as there must be a new trial, the less we say about the evidence the better. By the expression "spitting of blood" is no doubt meant the *disorder* so called, whether proceeding from the lungs, the stomach, or any other part of the body; still, however, one single act of spitting of blood would be sufficient to put the insurers on inquiry as to the cause of it, and ought therefore to be stated.

Alderson, B. As to the misdirection, my Lord Denman certainly does not appear to have sufficiently called the attention of the jury to the distinction between those disorders, respecting the existence of which, at the time of executing the policy, the assured was called on to make a specific declaration, and those which might have formerly existed. By "spitting of blood" must no doubt be understood a spitting of blood as a symptom of disease tending to shorten life; the mere fact is nothing; a man cannot have a tooth pulled out without spitting blood. But, on the other hand, if a person has an habitual spitting of blood, although he cannot fix the particular part of his frame whence it proceeds, still, as this shows a weakness of some organ which contains blood, he ought to communicate the fact to the insurance company, for no one can doubt that it would most materially assist them in deciding whether they should execute the policy, and good faith ought to be kept with them. So, if he had had spitting of blood only once, but that once was the result of the disease called spitting of blood, he ought to state it, and his not doing so would probably avoid the policy. Again, suppose this man had an inflammation of the lungs, which had been cured by bleeding, many physicians would perhaps say that it was an inflammation of the lungs of so mitigated a nature as not to tend to shorten life; still, that would be no answer to the case of the defendants, for it is clear that the company intended that the *fact* should be mentioned. As to the word "*cough*," it must be understood as a cough proceeding from the lungs, or no one could ever insure his life at all; and, indeed, it is so expressed in the policy, — "*cough or other affection of the lungs.*" Again, it

is obvious that the insurance company meant to guard against the disease of dysentery. Now, a man may have had a dysentery, and been cured of it; still the office should know of the circumstance; and, indeed, that disorder may have been mentioned by name, as being one of a nature likely to return. All these instances show that it was not intended to restrict the statement of the assured to disorders having a tendency to shorten life, at the moment of executing the policy; what the company demanded was a security against the existence of such diseases in the frame. There must, therefore, be a new trial.

Rolfe, B. I have no doubt that, if a man had spit blood from his lungs, no matter in how small a quantity, or even had spit blood from an ulcerated sore throat, he would be bound to state it. The *fact* should be made known to the office, in order that their medical adviser might make inquiry into its *cause*.

Rule absolute.

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## MISCELLANEOUS.

### LIFE INSURANCE.

Extracts from the Proceedings of the Society of Actuaries, London, April, 1851.

**THE EQUITABLE SOCIETY.** — Mr. W. S. Jones, in responding to a toast, said, The Equitable Assurance Society of which he was a trustee and director, was the second company of that kind which was formed in this country. The first society established itself on principles which were not to be continued for any length of time. It took the same rate of premium for every interval of age, which it was speedily found would not answer. The Equitable Society was established in 1762; and from that time to the present, it had gone on those principles of computation which all the actuaries in England now acknowledged to be the best that could be adopted. It was founded especially for the benefit of the families of persons who were assured in it; and since its foundation it had distributed £26,000,000 among the persons who had been connected with the institution, whilst the Society had accumulated a sum of nearly £9,000,000, which was to be appropriated partly among those persons who were now insured in the office, and partly amongst those who might join it afterwards. He had devoted himself to the interests of life insurance for nearly fifty years; and he could say that the great company with which he was connected had been carried on with perfect honor and propriety. He believed that the Institute of Actuaries had only recently come so prominently before the notice of the world; but he considered that it was a society of the greatest value, both to the public and its own members. He rejoiced that they were thus devoting themselves to the important subjects of their studies with zeal and energy, and he heartily wished them prosperity and success.

**THE UNITED STATES CENSUS.** — Mr. J. C. G. Kennedy, on behalf of the United States, said that he represented in that country a youthful nation, hardly yet out of the leading strings of its parent, to whom it owed all honor and respect. They were hardly yet out of their swaddling-clothes, and perhaps, like other children, they were rather fond of boasting, even in the presence of their parent; but he asked the company to attribute their faults to their youth, and to remember that their extraordinary natural growth, brought about by circumstances which neither they nor any other human power could control, had increased them in numbers and prosperity beyond any thing that history could parallel. There was nothing peculiarly great, or glorious, or honorable, in the causes producing this state of affairs. Their greatest efforts had been directed to know themselves, and they were the first nation that ever made the numbering of the people at the outset a part of their constitutional and fundamental

laws. They had found that principle of so much value, that they had branched into correlative subjects of inquiry. As early as 1810, the statistics of their agriculture and their manufactures had been taken, it being considered that, next to knowing the numbers of the people, it was necessary to know their various conditions, in order that legislation might be carried on with enlightened views, and the progress of the country accurately ascertained. From that time till the present day they had kept these objects in view, and in their last census, in which he had the honor to participate as superintendent, the age, sex, color, condition, birthplace, trade, degree of education, of every being, white, black, free, or slave, were given. The details of their agriculture, manufactures, and commerce were collected, and presented results deeply interesting to a society like this. With reference to the statistics of longevity, they had viewed with great interest the progress which the actuaries of England had made, and, instead of retarding them in their progress, they were willing to help them along and to proceed at the same rate themselves, if not a little faster. For himself he had come far to receive information, and from "Farr" he had received it.

**THE CARLISLE TABLE.** — The remarkably increased duration of life evidenced by the Carlisle Table over the Northampton could not fail to arrest public attention, and the elaborate and able work in which Mr. Milne has issued his table into the world claimed for it an information and consideration not before conceded to even the labors of Dr. Price himself. An examination of the writings of this period will at once satisfy any inquirers, that, in a very short time after the appearance of Mr. Milne's work, the Carlisle Table began to grow in favor and public estimation, and hence, from the misconception that its recent appearance was evidence also of the recent origin of its data, and from the increased duration of life deducible from it, an opinion prevailed that since the appearance of Dr. Price's writings an improvement had taken place in the public health. This impression has continued to gain ground until the present hour. It is consequently important to test the correctness of this opinion, not only from its bearings on recent legislative proceedings, but also from the remarkable hold which both classes of results have taken of the insurance interests of this country, as well as of the Continent. At first glance it must be evident that, from the almost contemporaneous but remote origin of the data of both tables, the observable difference in their rates of mortality could not be held to show any improvement in the duration of life in the recent, more than in the remote ones. Besides, if a difference really does exist in their rates of mortality, that difference can be supposed to be only due to the local circumstances and influences peculiar to the small districts from which the data were collected, and, however true the results may be considered in regard to the districts so represented by the data, it is impossible from their evidence alone to regard either as a type of the rate of mortality prevailing at a former or the present period among either the assurance classes here or elsewhere, or as affording any evidence of the rate of mortality in the country generally, or in individual classes of the population.

**LIFE INSURANCE IN EUROPE.** — Believing our citizens will be glad to hear from Prof. Silliman, we inform them that he has completed his tour on the continent of Europe, and writes from London, under date of August 19, to the Secretary of the American Mutual Life Insurance Company (over whose affairs he presides as President), that he is now pursuing his life insurance investigations among the life offices and actuaries in London. He will bring home, for the benefit of his Company, a more valuable collection of books on Life Insurance (historical and scientific) than has yet been brought to this country.

Prof. Silliman is, perhaps, the only man in the United States who is personally known in every part of Europe, and who could make the tour of Europe and not be for the most part a stranger; learning, science, character, and age, have done all for him that they can for man. His present tour seems to be the crowning pleasure of his life, for it has been prosecuted without serious accident or illness, and he has been received in all parts of Europe in such a manner as not only to gratify his own feelings, but fill the heart of every American with national pride.

We understand that soon after his return he will issue a new series of the Company's pamphlets and circulars, and incorporate therein several new and valuable features connected with Life Insurance, and for which provision was made by amendments to the charter of the Company in 1850. — *New Haven paper.*

**Life Insurance** is no new subject to Prof. Silliman. His attention was called to the subject in early life, and he now holds a policy for \$ 5,000 upon his own life, on which he has paid the whole amount insured. We are gratified to learn that his own Company has prospered in his absence, and that it has added nearly 40 per cent. to its surplus since January last, and continues to receive its full share of select patronage.

The party, consisting of himself, Prof. B. Silliman, Jr., and other friends, leave for home in the steamer which sails to-day. — *New Haven Herald*.

**LIFE INSURANCE IN NEW YORK.** — It will be remembered that a law passed at the last session of the legislature, intended to regulate the business of life insurance within the limits of the State, so far as obtaining security to a certain amount would do it, for the purpose of putting the companies upon a more desirable basis, and to afford further security to the insured beyond the mere policies and reputed capital of the company.

The law requires all companies transacting the business of life insurance within this State to deposit with the Comptroller, on or before the 1st of August, 1851, the sum of \$ 50,000 in approved securities, and the further sum of \$ 50,000 on or before the 1st of February next, as security for the faithful performance of all their obligations, and it also imposes a fine of \$ 500 if the business is continued in the State by any company which shall fail to comply with the provisions of the act.

Each company is also required to submit its books, papers, accounts, &c., at all times, to the examination of the Comptroller, or to the commissioners appointed by that officer, — Mr. Jonathan Miller, law officer, and Messrs. Andrew Carrigan and James Horner, inspectors or appraisers of the real estate investments.

Whatever difference of opinion may exist in regard to the policy or the occasion which called for the enactment of this law, it is very evident, from the dilatory movements of many of the companies in complying with its provisions, that it is not exactly suited to their wishes, and that they prefer to remove their agencies, and whatever of capital is connected with them, to other States rather than deposit with the Comptroller the required security of \$ 100,000. And it is also certain that those who do remain and have complied with such provisions of law as will secure, to a considerable extent, the investments of individuals, will be placed upon a more desirable security with the public, and thus present at home, advantages which other companies can only realize out of the State.

The companies which have deposited with the Comptroller the requisite security are The United States of New York, The Albion of London, The Mutual Benefit of New Jersey, Life and Trust Company of New York, New England of Boston, The New York (late Nautilus) Company and the Mutual Life Insurance Company of New York (the last-named company has paid in the whole amount, \$ 100,000); leaving some nineteen companies heretofore doing business here, which will, undoubtedly, withdraw their agencies. — *Albany Argus*.

**CALIFORNIA GOLD.** — The Treasurer, E. C. Dale, Esq., thus states, in a letter addressed to a party in New York, the mode adopted by the Mint on reception of deposits of gold dust: —

"When we receive deposits, each parcel (of which a separate assay and valuation are required) is set apart by itself, and is distinctly numbered; it is then separately melted in a clean pot, poured into moulds, and the bar or bars are weighed in the Treasurer's office, and the result recorded. From various parts of the bars slips are taken, numbered carefully and assayed, — the result being reported to the Treasurer. From the Assayer's report, and the weight of the bullion, after melting, the value of the deposit is ascertained.

"From this explanation you will perceive that the summary, and, I may add, dishonest and illegal practice alleged against us, has no existence. Each deposit stands on its own merits, and the poorness or richness of the return depends entirely on the poorness or richness of the deposit itself.

"The disappointment which depositors sometimes meet in the return given for their bullion, and to which your letter adverts, is not surprising, when you consider how much the value of an article so precious is affected by an excess, beyond the average, of dirt and other foreign matters, or by a slight inferiority in quality, which can only be detected by accurate assay. Very respectfully yours,

"E. C. DALE, Treasurer."

**THE BANKS OF BALTIMORE.** — The new constitution, now adopted, cannot be altered in any respect till after 1860, when the new census is to be taken. This is an important fact to be taken in view, in considering the effect which the provision in the new constitution, in relation to the responsibility of stockholders in banks, would have in drawing away from the city a large amount of the capital now in such institutions. It will be seen by the following table, giving the years in which the charters of the banks of this city will respectively expire, that every bank in the city, save the Franklin, will come within the provision of the new constitution, before it can be altered in any respect : —

Mechanics' Bank,	end of year 1855	Mechanics' Bank,	end of year 1857
Farmers and Merchants' Bank,	" 1856	Bank of Baltimore,	" 1858
Marine Bank,	" 1856	Commercial and Farmers' Bank,	" 1858
Farmers and Planters' Bank,	" 1856	Union Bank,	" 1859
Western Bank,	" 1856	Fell's Point Savings Bank,	" 1860
Chesapeake Bank,	" 1856	Franklin Bank,	April, 1877
Citizens' Bank,	" 1856		

The charters of the other banks throughout the State will, it is believed, all expire before 1860, so that every one will be liable to the new experiment of the newly adopted constitution. — *Baltimore Patriot*.

**RAILWAYS OF GREAT BRITAIN.** — The system of railway communication in these islands has advanced to such a point, that every day the locomotive engine passes over a distance nearly  $4\frac{1}{2}$  times the circumference of the globe.

Number of engines working on the railways in 1850,	2,436
Quantity of coke consumed by them within the year (tons),	627,528
Quantity of coal consumed (tons),	698,466
Total distance run within the year (miles),	48,161,850
Average distance run per day (miles),	110,333

In the year 1850 there were in all 6,464 miles of railway under traffic. On the 1st of January, 1849, when as yet only 5,079 miles of iron road had been opened, there had been of capital expended upon their construction £ 205,160,000; and at the same period the total receipts for the preceding six months amounted to £ 5,744,965, or 5.6 per cent. on capital expended. Allowing 40 per cent. for working expenses, the division of these receipts will stand as 2.2 for expenses, and 3.4 for profits. Since that period the account stands as follows : — 1. Number of miles under traffic; 2. Annual receipts; 3. Increased per centage of railways open; 4. Increased percentage of receipts.

Year.	Miles open.	Receipts. £	Increase, Miles. Per cent.	Increase, Receipts. Per cent.
1849	5,740	6,350,460	14.6	10.5
1850	6,464	7,147,378	25.4	12.5

It appears, therefore, from these results, that while the railways were increased in length 14.6 per cent. in 1849 as compared with 1848, and 25.4 per cent. in 1850 as compared with 1849, the revenue proceeding from them was increased only 10.5 per cent. in 1849 as compared with 1848, and only 12.5 in 1850 as compared with 1849.

From these data it seems reasonable to infer that railway undertakings will in future follow the usual laws of important commercial transactions in this country; nay, they have already almost fallen to the normal point. Something about 3 per cent. would appear to be about the natural level on capital simply invested, without the necessity of personal superintendence. The expenses of working may probably be considerably diminished in consequence of improved engineering, and of the heavy discouragement at length given to the construction of branch lines on a ruinous scale of expense as compared with the probability of receipt. Still, when all deductions and additions are made on one side and on the other, the result will probably be a steady rate of interest upon capital invested in no material degree different from the ordinary course of safe investment throughout the country. But when it is considered that, even on this modest supposition, from £ 11,000,000 to £ 11,500,000 per annum are steadily paid into the hands of the shareholders, there will be no great cause of apprehension as to the future fortunes of English railways. — *European Times*.

**FIRE INSURANCE IN FRANCE.** — On the 29th of August, an orator of the Mountain, a vehement Radical lawyer, moved that all the fire insurance companies of France be taken into the hands of the government. He argued his point, and was effectively answered by Speaker Dupin, who left the chair for the purpose. Universal monopoly by the state is a fundamental Socialist doctrine, — banks, railroads, insurances, education, &c. A Legitimist protested that the scheme amounted to the confiscation by the state of all insurance on landed property. If you would know to what joint-stock interests amount, you have it in the following statistics, recently furnished in an authentic way : —

"In France the progress of fire insurance has been most remarkable. The earliest of the existing companies, now thirteen in number, was only established in 1819, yet the amount of fire insurances in force in them at the end of 1850 was upwards of 968,800,000f., and the amount of the annual premiums 827,500f. In the course of the year the sum of 415,000f. was paid for losses. Including the thirteen proprietary, and the forty-one mutual companies, it is computed by M. Duproca that the amount of fire insurance in France exceeds that in Great Britain by 50 per cent. Life insurance in France has not been so actively pressed. Three or four of the old proprietary companies insure sums payable on death, but the largest business is in the Mutual Tontine Association, for the insurance of sums payable after fixed periods. Maritime insurance in France is stated to be on the increase. In some parts of France several companies exist for insurance against hail, accidental death, and even against the cost of law proceedings." — *Paris Correspondent of the New York Journal of Commerce*, July 31.

**THE METROPOLITAN BANK.** — It is well for the mercantile community that the Metropolitan Bank is in existence, affording, as it does, the most timely assistance under the pressure, which otherwise would be really serious, but which is now but a wholesome stimulant. With the exception of three banks, named in their advertisement, it is prepared to receive and take, at the ordinary discount of one quarter of one per cent., all bills offered through its regular depositors, including those who become so at the present or any given moment. Its means are equal to the taking of one million of dollars per day. The amount of its recent daily receipts is over one hundred thousand dollars, and is increasing.

The system of our under-par currency is deficient in security for prompt redemption, even at a discount. The brokers are irregular and uncertain in their operations, and it is only such an institution as the Metropolitan upon which traders can rely for regular and prompt action. Were New York made, as it should be, the place for redeeming all currency at par, the assistance of such an institution would not be needed. As it is, we are in a great measure indebted to it for the effectual repression of the panic yesterday attempted. — *New York Journal of Commerce*, October 4.

**GOLD IN AUSTRALIA.** — The Rev. Mr. Clarke, a skilful geologist, speaking of the gold deposits which have been lately discovered in Australia, says : —

"In the first place, it is to be noticed that gold is one of the most universally distributed metals in rocks of a certain class, and that there is scarcely a river of any volume upon the face of the globe in which it does not exist in small quantities, the sands and gravels of which will pay for the washing, provided they yield 24 grs. per cwt."

This gentleman is of opinion that the auriferous region of Australia is very extensive, and corresponds in its meridians with the Ural and California Cordillera. As evidence he adduces the following fact never before mentioned : —

"If we look at the globe, we shall find that in longitude of about 149 degrees or 150 degrees east extends the middle or the meridian chain of Australia, paralleled by similar chains having similar axes in South and in West Australia. Exactly 90 degrees from the main Australian chain occurs the auriferous Ural in 60 degrees east, and exactly 90 degrees from the same chain occur the north and south auriferous mountains of California in 120 degrees west. The fourth quadrantal meridian falls along the Atlantic, between Brazil and Africa, both auriferous regions."

And he adds : — "By personal survey, or by the assistance of numerous kind friends, who take an interest in my humble endeavors to advance the progress of science in this colony, I have had at one time or another under my hand collections of rocks from almost every available locality between Cape Howe and New Guinea; and I am prepared with evidence to show that what is now known of the Ural and of the Californian Sierras may be predicted of our Australian Cordilleras."



## BANK STATISTICS.

## MASSACHUSETTS.

*Dividends of the Boston Banks for the Years 1847, 1848, 1849, and 1850, and in April and October 1851.*

<i>Name.</i>	<i>Capital.</i>	1847.	1848.	1849.	1850.	1851.	1851.
Merchants' Bank, . . . . .	\$3,000,000	7	8	8	8	4	4
State Bank, . . . . .	1,800,000	6	6½	7	7	3½	3½
City Bank, . . . . .	1,000,000	6	7	7	7½	3½	3½
Globe Bank, . . . . .	1,000,000	7	7½	8	8	4	4
Suffolk Bank, . . . . .	1,000,000	10	10	10	10	5	5
New England Bank, . . . . .	1,000,000	8	8	8	8	4	4
Tremont Bank, . . . . .	1,000,000	6½	7	7½	8	4	4
Union Bank, . . . . .	1,000,000	7	7	7	8	4	4
Boston Bank, . . . . .	900,000	7	8	8	8	4	4
Massachusetts Bank, . . . . .	800,000	6	6	6	6	3	3
Bank of Commerce, . . . . .	1,500,000	.	.	.	new.	5	4
North Bank, . . . . .	750,000	6	6	6½	7	3½	3½
Shoe and Leather Dealers' Bank, . . . . .	1,000,000	8	9	8½	8½	4	4
Market Bank, . . . . .	560,000	9½	10	10	10	5	5
Atlantic Bank, . . . . .	500,000	6½	7	8	8	4	4
Atlas Bank, . . . . .	500,000	6½	6½	7	7	3½	3
Bank of North America, . . . . .	500,000	.	.	.	new.	3½	3½
Columbian Bank, . . . . .	500,000	6	7	7½	7	3½	3½
Eagle Bank, . . . . .	500,000	6½	7	7	7	3½	3½
Exchange Bank, . . . . .	1,000,000	new.	8½	8	8	4	4
Granite Bank, . . . . .	650,000	6½	7	7	7	3½	3½
Hamilton Bank, . . . . .	500,000	7	7	7	7	4	4
Shawmut Bank, . . . . .	500,000	7	7½	7½	8	4	4
Washington Bank, . . . . .	500,000	6½	6½	6	6	3	3
Traders' Bank, . . . . .	600,000	7	7½	8	8	4	4
Grocers' Bank, . . . . .	300,000	.	new.	8	8	4	4
Freeman's Bank, . . . . .	250,000	8	8½	9	9	4½	4½
Boylston Bank, . . . . .	250,000	8	8½	8	9	4½	4½
Cochituate Bank, . . . . .	150,000	.	.	new.	7	4	4
Mechanics' Bank, . . . . .	150,000	8	8	8	8	4	4
Total capital, . . . . .	\$23,660,000						

The dividend of the Granite Bank was 3½ per cent. on the former capital of \$500,000 and 1½ per cent on that lately paid in. \$100,000 additional capital is authorized to this bank, making its aggregate capital \$750,000. The dividend of the Shoe and Leather Dealers' Bank was 4 per cent. on the former capital of \$750,000 and 1½ per cent. on the additional \$250,000 recently paid in. The dividend of the Traders' Bank was 4 per cent. on the former capital of \$400,000, and 2.45 per cent. on the additional \$200,000.

An addition of \$50,000 was authorized to the capital of the Freeman's Bank, which is not yet paid in, and \$100,000 to the Cochituate Bank.

*Aggregate Dividends of the Boston Banks.*

<i>Year.</i>	<i>Capital.</i>	<i>Dividend.</i>	<i>Year.</i>	<i>Capital.</i>	<i>Dividend.</i>
1846	\$17,480,000	\$1,112,100	1849	\$19,260,000	\$1,373,100
1846	18,030,000	1,188,500	1850	19,760,000	1,539,000
1847	18,030,000	1,269,300	1851, April,	21,760,000	848,298
1848	18,330,000	1,373,100	1851, Oct.,	23,660,000	906,075

*Bank Capital in Boston.*

*Progressive Population, Number of Banks, Bank Capital, and Bank Circulation of Boston, from 1803 to 1850.*

Year.	Population.	No. of Banks.	Capital.	Circulation.
1803	27,000	2	\$1,800,000	\$714,000
1810	33,000	3	4,600,000	906,000
1815	38,000	6	9,100,000	1,548,000
1820	43,000	7	7,350,000	1,272,000
1825	58,000	14	10,300,000	3,770,000
1830	61,000	17	12,350,000	2,171,000
1836	79,000	33	20,118,000	4,260,000
1839	82,000	27	18,435,000	2,502,000
1846	118,000	24	18,180,000	5,920,000
1847	123,000	26	18,863,000	7,200,000
1848	128,000	26	18,980,000	4,950,000
1849	133,000	27	19,577,000	5,980,000
1850	138,000	30	21,000,000	6,000,000

**KENTUCKY.**

The Southern Bank of Kentucky, with a capital of \$387,000 paid in, has a circulation of \$546,000. The bank commenced business in November, 1850, and in July last declared a dividend of 3 per cent. The following exhibits the liabilities and resources on 30th June, 1851:—

**LIABILITIES.**

Capital stock paid in (out of \$2,000,000), . . . . .	\$387,000
Circulation outstanding, . . . . .	546,033
Due to other banks and branches, . . . . .	5,580
Due individual depositors on demand, . . . . .	66,312
Profit and loss account, eight months, . . . . .	19,418
<b>Total liabilities, June 30, 1851, . . . . .</b>	<b>\$1,004,343</b>

**RESOURCES.**

Notes discounted, \$171,133; bills of exchange, \$272,638, . . . . .	\$443,771
Bonds of the State of Kentucky, six per cent., . . . . .	150,000
Banking-houses, parent bank and branches, . . . . .	9,776
Due from banks in New York, . . . . .	\$65,804
Due from banks in Kentucky, &c., . . . . .	43,008
Gold and silver coin on hand, . . . . .	214,986
Notes of other Kentucky banks on hand, . . . . .	77,218
<b>Total resources, June 30, 1851, . . . . .</b>	<b>\$1,004,343</b>

The entire capital will be two millions of dollars, of which the State of Kentucky subscribed for one half. Forty per cent. of the capital, on the part of individuals, has been called in. The charter has nearly thirty years to run.

**McCULLOCH ON BANKING.**—Mr. A. Hart, Philadelphia, has just published *Essays on Interest, Exchange, Coins, Paper Money, and Banks*. By John Ramsay McCulloch, Author of "The Commercial Dictionary," &c. This volume will be found to contain useful information in reference to the banking system of Great Britain; The Scotch Banks; The Irish Banks; The Continental Banks,—including the Banks of Venice, Amsterdam, Hamburg, and the Bank of France. 8vo. pp. 200. Price \$1.25.

## BANK ITEMS.

**MASSACHUSETTS.**—*Union Bank.*—The messenger of the Union Bank was, on Saturday, October 4, robbed of \$2,000 in gold, under the following circumstances. He had just drawn at the Merchants' Bank a considerable amount in specie, which was delivered to him in bags. A small bag of gold he placed in the skirt pocket of a loose coat. The rest of the bags he held in his arms. On his way to his own bank the bag of gold in his pocket, amounting to \$2,000, was stolen. He was undoubtedly watched by one of those adroit rogues who are constantly hovering round the street in bank hours. We learn that the police are on the track of the robber.

*Danvers.*—Eben Sutton, Esq. has been elected President of the Danvers Bank, in place of Eben Shillaber, Esq., deceased.

*Newburyport.*—Giles P. Stone, Esq. has been chosen Cashier of the Merchants' Bank, Newburyport, in place of Samuel Mullikin, Esq., who resigns, at the age of eighty-three, having been cashier for fifty years.

*Taunton.*—Lovett Morse, Esq., has been chosen President of the Taunton Bank, in place of S. Rhodes, Esq.

*Canton.*—Charles H. French, Esq., has been chosen President of the Neponset Bank, Canton.

*New Bedford.*—Thomas Mandell, Esq., was, on the 11th of October, chosen President of the Mechanics' Bank at New Bedford; Mr. Rodman having declined a reelection, after presiding twenty years over the institution.

*Salem.*—Benjamin H. Silsbee, Esq., has been elected President of the Merchants' Bank, Salem; and Nathaniel B. Perkins, Esq., Cashier of the same institution. Mr. Treadwell, the President, retires, after a connection with the bank of nearly forty years, in the various positions of book-keeper, cashier, and president. Mr. Samuel Webb has been book-keeper of the same bank for the space of thirty-eight years.

**NEW YORK.**—Robert S. Oakley, Esq. has been appointed Cashier of the Mercantile Bank, Broadway, in place of J. C. Bell, Esq., resigned.

*The Knickerbocker Bank.*—This new city institution commenced business early in October, at the corner of Eighth Avenue and Seventeenth Street. Joseph W. Savage, Esq., President, formerly President of the National Insurance Company; John A. Gunn, Esq. (late of the Butchers and Drovers' Bank), Cashier.

The stock has been taken by business men, chiefly in that vicinity, in small sums each, there being no holder of an amount exceeding \$5,000. The bills of the bank just issued are beautiful specimens of art; each denomination having a view of some one or more of the former or present public buildings of the city. The bank is already doing a considerable business, and is likely to be well supported, as its location is in the midst of a populous and thriving section of the city.

**NEW JERSEY.**—*Commercial Bank of Perth Amboy.*—An injunction was granted against this institution on the 4th of October, under which Courtlandt Parker and Oliver P. Halstead, Jr., of New York, and Thomas G. Marsh of Perth Amboy, were appointed receivers. The assets of the bank were taken possession of by the receivers on Monday. The *Newark Daily Advertiser* says that no full investigation of the affairs of the bank has been made as yet, but it is the opinion of its officers, and those best acquainted with its liabilities and resources, that there are assets more than sufficient to redeem its circulation in full.

*Paterson.*—The People's Bank at Paterson suspended in September last, and has been placed in the hands of receivers. This is one of a few banks in that State that do not maintain their paper at par in New York or Philadelphia. The affairs of the People's Bank are, according to the Paterson papers, in a miserable condition. The President and Directors profess to have not the slightest idea of its condition. As the Cashier, who alone can give any thing like a truthful statement of affairs, is unwilling to disclose even to the Directors the condition of the bank, the public must await the examination of the Receivers. These were appointed by the Chancellor on the 6th instant, and consist of Charles Danforth and Cornelius S. Van Wagoner, Esqs., of Paterson,

and Wm. F. Day, Esq., of Elizabethtown. They will doubtless proceed immediately with an investigation, and at an early day, it is hoped, will give to the public a reliable statement of affairs. In the mean time it may be well for holders not to submit to the ruling rates, which vary from 10 to 25 cents on the dollar.

*A New Bank.* — The certificate of another new banking company in New Jersey has been filed with the Secretary of State. It is to be named the Tradesman's Bank, and located at Flemington, Hunterdon County. Its capital is to be \$50,000, with liberty to increase to \$500,000.

*State Bank of Morris, New Jersey.* — Lambert Norton, late President of the State Bank at Morris, N. J., and charged with being concerned in defrauding it, was acquitted in September last. With this ends all matters connected with the failure of that institution.

**PENNSYLVANIA.** — The Farmers and Mechanics' Bank of Easton commenced business in September; and though a Pennsylvania institution, it adds to the money facilities of the adjoining County of Warren, in New Jersey.

*Philadelphia.* — B. B. Comegys, Esq. has been chosen Cashier of the Philadelphia Bank, in place of Mr. John B. Trevor, resigned.

**MARYLAND.** — The Bank of Salisbury, on the Eastern Shore of Maryland, suspended during the last week in September. The business of the original institution was closed some years since, and within a short period the charter was purchased by parties in Wall Street, New York, for the purpose of enjoying the advantage of a circulation. Like the Havre de Grace Bank, which failed a year since, the Bank of Salisbury has had no credit either in its own locality or elsewhere.

**VIRGINIA.** — The Bank of the Old Dominion, of Alexandria, Virginia, has an independent charter upon the New York free banking principle; its issues, secured by a deposit of Virginia State Stocks; and will go into operation about the 1st of November ensuing. William Fowle, President; James McKenzie, Cashier. This bank, which promises to be very popular, will start with a capital of \$230,000 paid in, which may be increased to \$500,000. Their new banking-house, 30 feet by 60, now erecting at the corner of Water and Prince Streets, will be a very ornamental edifice, and be completed by the 1st of January next.

Alexandria, with her railroads, canal, and increasing banking capital, is destined soon to emerge from her obscurity, and take rank with other thriving cities of business and enterprise.

**NORTH CAROLINA.** — *Commercial Bank of Wilmington.* — We learn from the *Wilmington Herald*, that this institution has declared a dividend of 6½ per cent. for the last six months. This the *Herald* states is preparatory to the admission of the subscribers to the additional capital (now \$350,000) as stockholders. The Commercial Bank was organized and went into operation on the 9th of August, 1847, since which time, including the present, dividends amounting to 34½ per cent. have been made to its stockholders, besides allowing, to the new subscribers, interest on their instalments. Some ten or twelve years since, the banking capital of Wilmington was only some \$350,000; now it is \$1,075,000; and judging from the dividends now made, this great increase of capital is profitably employed in the trade and commerce of the town.

*Greensboro.* — A branch of the Bank of Cape Fear has been established at Greensboro, under an act of the Legislature, passed in January, 1851; by which law the bank was also authorized to increase its capital stock from \$1,500,000 to \$2,000,000.

**OHIO.** — William Spencer, Esq. has been appointed Cashier of the Jefferson Branch of the State Bank of Ohio, at Steubenville, in place of David Moodey, Esq., resigned. Mr. Spencer has been connected with this bank from the commencement of its business, and was also an officer of the former Farmers and Mechanics' Bank of Steubenville.

**KENTUCKY.** — *Louisville.* — At a meeting of the Board of Directors of the Mechanics' Bank, John M. Stokes, Esq. was elected President, to supply the vacancy occasioned by the death of the late President, John P. Bull, Esq. The selection is a most admirable one. Mr. Stokes is one of our stanchest, most prudent, and reliable citizens, and we venture to say that under his efficient management this excellent institution will continue to prosper. — *Louisville Journal*, 22d September.

## Notes on the Money Market.

BOSTON, OCTOBER 25, 1851.

*Exchange on London, 60 days, 109½ to 110½.*

A MARKED change has occurred in the money market since our last month's report. The exorbitant rates for money prevailing at that time have now diminished materially, accompanied by strong indications of a speedy and favorable reaction. We now quote negotiable paper of the best character at 10 per cent. per annum. Railroad loans, 12 to 15. Loans on call, well secured by collaterals, 9 per cent.

The export of coin has ceased almost entirely from New York and Boston; the total export for the month of October being \$2,000,000, against \$4,000,000 in September and \$2,650,000 in August, and an aggregate of \$32,000,000 since the 1st of January last. This reduction of export has induced the banks of all our large cities to resume their discounts on a more extended scale. The following exhibits the aggregate loans, circulation, and coin of the New York City banks at three different periods this year. It will be seen that the volume of loans diminished fully ten per cent. between July 1 and October 1.

1851.	Loans.	Specie.	Due from Banks.	Deposits.	Due other Banks.	Circulation.
March 29,	\$ 67,700,000	\$ 7,970,000	\$ 4,600,000	\$ 36,170,000	\$ 18,200,000	\$ 7,300,000
June 21,	69,200,000	7,985,000	4,720,000	41,138,000	17,300,000	7,118,000
Sept. 27,	65,100,000	6,145,000	4,240,000	36,660,000	10,700,000	7,171,000

The balances due Southern and Western banks are largely diminished, showing a general contraction throughout the country.

The returns of the Massachusetts banks are not yet issued, but, from all that we can learn, a reduction to the same extent, say ten per cent., took place here during the three months ending October 1.

Sterling bills on London have fallen to 9½ a 10½ premium for bankers' signatures; and there is already an accumulation of Southern bills, drawn against shipments of new cotton, which command 9½ to 9¾. These rates are more favorable than those which prevailed a year ago, when money was quoted at 7 a 8 per cent. At that period, bills on England were worth 10½ a 11 premium, accompanied with an export of \$500,000 in coin weekly.

Three failures of banks have occurred since September 15; viz. The People's Bank, at Paterson, N. J.; The Commercial Bank, Perth Amboy, N. J.; and The Bank of Salisbury, Maryland. Also the four following banks in the State of New York: — The James Bank, at Jamesville; The Bank of New Rochelle; The Western Bank, at White Creek; and The Farmers' Bank, Mina.

The uneasiness arising from these failures has now subsided, and the terms of discount on uncurrent money at New York are the same as in July last.

The free banking system became a law in this State six months ago, under the salutary restrictions and penalties of the general laws which operate upon all banking institutions within the Commonwealth, but no new banks have been, thus far, established under the law of 1851.

Among the extraordinary features of the present year is the discovery of extensive gold districts in New South Wales. Advices have been received from the port of Sidney up to June 2, from which we learn that a large portion of the people of the colony had given up their ordinary business, in order to search for gold. Already, considerable quantities of gold had been extracted, and there was full assurance of as much productiveness as in California. It seems to be beyond question that the soil is highly productive in this metal, without mining. Some of the gold has reached England by late arrivals; and the information is fully confirmed by intelligence to the 19th of July, received via Sandwich Islands.

The *London Bankers' Magazine* for October says: — "It seems, by the accounts which have come to hand, that the geological appearance of the district where the gold was discovered very much resembles that of California and of the Ural Mountains, and that it was this circumstance which led the discoverer to believe that gold existed in the locality, and to undertake the search which has been attended with such important consequences."

The receipts of gold from California continue large. Above two millions reached New York last week, and the accounts from that State show that there is no diminution in the supply. The aggregate receipts since January 1, 1851, have been about \$34,000,000, while the export to Europe (as above stated) has been about \$32,000,000. We can safely rely upon further receipts during the current year, to the extent of fifteen millions, from California alone.

We have prepared for our next No. an account of the late feat of Mr. Hobbs in London, by which he opened the celebrated bank locks of Messrs. Bramah and of Messrs. Chubb & Son. This subject continues to excite much attention among the bankers of the English capital. Mr. Hobbs represents the house of Day & Newell, manufacturers in New York, whose advertisement appears on the cover of this journal.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. I. NEW SERIES.      DECEMBER, 1851.      No. VI.  
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ON CREDIT.—PANICS AND PRESSURES.

For the Bankers' Magazine.

MR. EDITOR : —

SIR, — An article from the *Philadelphia North American* in the *Bankers' Magazine* of October endeavors to establish the following theory of the cause of the existing "money pressure" : — "Excessive imports are supposed to be it, when they are only the apparent, and not the real, cause ; the *extension of credits* being the true one."

This proposition, if true, renders the subject very simple and intelligible, and the remedy very facile ; we, the merchants and bankers, have only to reduce the credit used in our operations to the European rule of from "one to four months," and all our difficulties would be at an end ; "the balance of trade would be in our favor, and the gold which flows in such large amounts from California would find its resting-place in our vaults." Let us examine the proposition, since it is very desirable to *know* the cause of our present difficulties.

First. What is the precise nature of this thing called *credit* ? the extension of which from three to nine months is productive of so vast results as to determine the character of the commercial relations between Europe and America.

A has bought a bale of cloth in Europe, which, before it has reached his store in Philadelphia and been sold to a merchant in Ohio, he has paid for, together with duties, &c. So far it is admitted there is no improper action ; the average European credit of three months has been

VOL. I.

36

consumed in the transit from the manufacturer to the merchant, and its sale, and now the evil begins.

The country merchant being, like most men in America, without that abundance of capital which would enable him to furnish the supplies of cloth necessary to his section of country out of his own resources, and his customers being in a similar condition; time being required for the transfer and sale of goods at his place of business, and for the growth and transmission of corn to the Atlantic ports; they must either forego the purchase and sale, or the necessary credit must be furnished by some party; that is, the two masses of property, the cloth and the corn, must be owned by somebody during their transition from the merchant and the producer to the consumer or market; and while thus *in transitu* it must pay interest upon its amount, like that paid on all other property for its use, which is not occupied by its owner; and this interest must be a charge upon the property like freight, and be deducted from the proceeds of its final sale at market.

To furnish this capital, which neither party to the exchange possesses, is the object intended to be accomplished in the creation of banks, in which the unoccupied capital of individuals is concentrated, that it may be ready to accomplish this purpose. If the merchants who effect the exchange of cloth and corn had the capital necessary, and no credit was required, banks would be unnecessary. The banks charge for such capital six per cent. per annum; they furnish a large amount of the credit so used, both by the discount to the country merchant of the drafts drawn upon the corn on its way to market, by which his customers have paid for the cloth, and by the discount to the city merchant of the notes of his customers, that he may be enabled to purchase an additional supply of cloth for future sales. The thing complained of is not the *rate of interest*, but only that the *time is too long*, and consequently, too large a sum in the form of interest enters into the final price, and that this final price is operative upon the European market, and induces excessive imports, and so is the cause of the present "money pressure."

The weakness of the theory is evident. It is not pretended that the credit in Europe is too extended, — that is what it should be; how then can the augmented price to consumers *in America* by the addition of interest, rendered necessary by their imperative circumstances, and which never reaches the European market, but is retained at home, have the least effect to produce excessive imports? It has nothing to do with the profits of the European manufacturer, or with the price at which his goods are vendible to the American merchant, except to *lessen* the quantity of imports by diminishing the ability of the American consumer to pay for them; the *length* of the credit simply determines the *amount* of interest to be paid, and cannot have the most remote influence upon the condition of the foreign exchanges, which depend entirely upon the transfer between Europe and America of equivalent quantities, in value, of corn and cloth. While these remain equal, the exchanges will be equal; but if we are unable, either from too high price in our own market, or inability to produce corn to send to Europe in sufficient quantity to balance the cloth received, then we must send gold to make up the differ-

ence; if we have the corn, and yet send gold, it will only be because the gold is the *cheaper* commodity with us.

We do not assume that "excessive imports" are the cause of the existing evils, nor do we deny that in many instances too much credit is given and received by individuals; these instances are the exception, not the rule. Nor do we deny that, if more capital were in the hands of our merchants, less credit would be required by them, less interest would be paid for capital other than their own, and consequently the rate of interest would decline; but we deny that the "extension of credit" *by the mercantile public* is the cause of the existing condition of things, since that can by no possibility, on the showing of E. M. D., affect the foreign exchanges.

E. M. D. is doubtless some wealthy merchant, who, with abundance of capital and little enterprise, finds the country in its present condition, and imagines he discovers the reason in what he deems the excessive use of credit; credit is quite unnecessary to him, but quite necessary to the public, without which, in our extended country, with its generally limited capital, its business could not proceed.

HANCOCK.

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## PRIVATE BANKING IN NEW YORK.

The new banking firm of Duncan, Sherman, & Co., organized after the system of London bankers, commenced business here on the 1st instant, by which means quite an addition was made to banking capital available for loans. The deed of general partnership embraces the names of Alexander Duncan, Esq., of Providence, R. I., Watts Sherman, Esq., of New York (late of Albany), and W. Butler Duncan, Esq., of this city. Their new banking-house in William Street, above Wall, has been completed, and furnishes extensive accommodations for the banking firm.—*New York Journal of Commerce*, October 4.

### *Terms for Accounts with Messrs. Duncan, Sherman, & Company, Bankers, New York.*

On accounts, when the balance shall at no time during the preceding three months have been below \$5,000, interest at the rate of four per cent. will be allowed on the minimum monthly balance.

On accounts, when the balance during the preceding three months shall at no time have been below \$2,000, interest at the rate of three per cent. will be allowed on the minimum monthly balance.

Receipts for special deposits will be granted on terms subject to arrangement.

The following is the form of a *lettre d'ordre générale*, as issued by the firm of Duncan, Sherman, & Co., for the use of travellers in Europe, in sums ranging from £10 upwards. No charge is made for such a credit, beyond the current rate of exchange on London at the time of issue. The bill is negotiable at either of the places in the following list, without charge of commission, and at the current rate of exchange pending on London, wherever the bill may be disposed of.



No. . . . . £ . . . . . No. . . . .  
 A Sept jours de vue préfix payez à l'ordre de M. . . . .  
 la somme de . . . . . Sterling, que passerez au compte de Messrs. Duncan, Sherman, &  
 Comp'y, Banquiers à New York.

A l'Union Bank of London,  
 2 Princes Street, Mansion House, London.

(On the back of which is the following circular:—)

No. . . . . Pour £ . . . . . Sterling.  
 Aux Correspondans de  
 Messrs. Duncan, Sherman, & Comp'y,  
 Banquiers, N. Y. New York, . . . . . 18 .

Messieurs, — Un crédit de la somme de . . . . . Livres Sterling a été ouvert par nous,  
 payable à l'Union Bank of London, en faveur de M. . . . . dont vous trouverez la signature  
 dans notre lettre d'ordre générale No. . . . . dont il est le porteur. Veuillez, nous vous  
 prions, lui payer, au cours d'usage sur Londres, sans aucuns frais pour nous, le montant du Crédit sur  
 dit, contre sa traite ci-incluse, sur cette Banque.

Nous avons l'honneur d'être,  
 Messieurs,  
 Vos très humble Serviteurs.

MESSRS. DUNCAN, SHERMAN, AND COMPY, BANKERS, NEW YORK.

*Lettre d'Ordre Générale.*

Aux Correspondans de  
 Messrs. Duncan, Sherman, & Comp'y, New York, . . . . . 18 .  
 Messieurs, — Le Porteur de cette lettre, M. . . . . pour lequel nous réclamons vos  
 bons offices, est muni de nos Billets circulaires.

Nous vous prions de lui en fournir la valeur moins les commissions usuelles, sans aucuns frais à notre  
 charge d'après nos instructions. Si la ville ou il en touchera le montant, n'a pas de Cours direct sur  
 Londres, vous voudrez bien en combiner avec quelque autre place voisine. Cette lettre doit rester dans  
 les mains du Porteur jusqu'à l'épuisement des Billets circulaires.

Nous avons l'honneur d'être,  
 Messieurs,  
 Vos très humbles et très obéissans serviteurs,

Signature du Porteur.

Villes.	Correspondans.	Villes.	Correspondans.
Alexandria, . . .	Briggs & Cie.	Lyons, . . .	Veuve Guerin & Fils.
Antwerp, . . .	Frères Nottebohm.	Madrid, . . .	H. O'Shea & Cie.
Athens, . . .	P. Scudl.	Malta, . . .	R. Duckworth & Cie.
Baden-Baden, . .	Aug. Klose.	Marseille, . .	Folsch & Cie.
Berne, . . .	Marcuard & Cie.	Milan, . . .	Carli di Tommaso & Cie.
Bordeaux, . . .	W. & D. Johnston.	Moscow, . . .	A. Marc & Cie.
Boulogne, . . .	Achille Adam.	Munich, . . .	A. E. d'Eichthal.
Bremen, . . .	Veuve J. Lange, Fils & Cie.	Naples, . . .	C. M. de Rothschild & Fils.
Brussels, . . .	Simon Salter.	" . . .	W. J. Turner & Cie.
Berlin, . . .		Paris, . . .	Greene & Cie.
Cairo, . . .	Briggs & Cie.	" . . .	Hottinguer & Cie.
Coblentz, . . .	Deinhard & Jordan.	" . . .	De Rothschild frères.
Cologne, . . .	Frederick Geisler.	Pan, . . .	Davantes frères.
Cadix, . . .	J. D. Shaw.	Rome, . . .	Pakenham, Hooker & Cie.
Dresden, . . .	H. D. Bassenge & Cie.	Rotterdam, . .	Frères Nottebohm.
Dusseldorf, . . .	Gms. Cleff.	Rome, . . .	McBean & Cie.
Florence, . . .	Macquay & Pakenham.	St. Petersburg, .	Wilson & Cie.
Florence, . . .	Em. Fenzie & Cie.	Strasbourg, . .	Renouard de Eusierre.
Francfort, . . .	Gogel, Koch & Cie.	Turin, . . .	Fa. Long & Fils.
Genoa, . . .	Gibbs & Cie.	Venice, . . .	Mudie & Cie.
Geneva, . . .	Lombar, Odier & Cie.	" . . .	S. & A. Blumenthal.
Hamburg, . . .	J. Berenberg, Gossler & Cie.	Vevey, . . .	Philip Genton & Cie.
Havre, . . .	D'Allens & Cie.	Vienna, . . .	
Hague, . . .	Scheurleer & Fils.	Wiesbaden, . .	Marcus Berle.
Leghorn, . . .	Wm. Macbean & Cie.	Warsaw, . . .	S. A. Fraenkel.
Leipsic, . . .	Becker & Cie.		

## THE BANK LOCK CONTROVERSY IN ENGLAND.

From the Correspondent of the Philadelphia North American.

London, Sept. 5, 1851.

You will learn from your present English files that one of the principal topics of the week is the famous "Lock Controversy." Bankers and merchants take a deep interest in it. Confidential cashiers are alarmed, — even lovesick *belles* fear that their long-treasured correspondence, concealed under a Bramah or a Chubb lock, is no longer hid from parents' eyes! Mr. Hobbs has evidently produced a sensation. The *Times* admits as much. It gives to the world the anxiously expected official report on the result of certain experiments made by Mr. Hobbs upon the test lock of England, — Bramah's "Gibraltar" lock. I informed you respecting the success of Mr. Hobbs's experiment in a previous letter. But I will now give you some remarks of the *Times* upon the subject, and the official report, with some other documents, which will finish the celebrated "lock controversy." The *Times* speaks of the subject as one of great interest, and says it is, indeed, of general importance. "We believed that we had the best locks in the world, and among us Bramah and Chubb were reckoned quite as impregnable as Gibraltar, — more so, indeed, for the key of the Mediterranean was taken by us, but none among us could penetrate into the locks and shoot the bolts of these makers. In this faith we had quietly established ourselves for years, and it seems cruel, at this time of day, when men have been taught to look at their bunches of keys, and at their drawers and safes, with something like confidence, to scatter their feelings to the winds!" "Our descendants on the other side of the water are every now and then administering to the mother country a wholesome filial lesson, and recently they have been rubbing us up with a severity which, perhaps, we merited, for sneering at their shortcomings at the Exhibition." "It is well known, however Mr. Chubb may wrestle with the statement, that Mr. Hobbs has succeeded by perfectly fair means in opening his locks as they have hitherto been made. No formal and deliberate trial has taken place between them to establish the fact, but it nevertheless remains undoubted. Bramah & Co. have acted with more pluck, and have been beaten in a fair, open field. They have acted with so much bold, open courage, that, even when Mr. Hobbs's success was ascertained by us, we were reluctant to state the facts positively and circumstantially until the award of the arbitrators had been made."

The following document is the report of the arbitrators, George Rennie, chairman, Professor Edward Cowper, and Dr. G. R. Black, to whom was referred the Bramah lock controversy.

"Whereas for many years past a padlock has been exhibited in the window of the Messrs. Bramah's shop in Piccadilly, to which was appended a label with these words, 'The artist who can make an instrument that will pick or open this lock will receive 200 guineas the mo-

ment it is produced,' and Mr. Hobbs, of America, having obtained permission from the Messrs. Bramah to make trial of his skill in opening the said lock, Messrs. Bramah and Mr. Hobbs severally agreed that Mr. George Rennie, F. R. S., London, and Professor Cowper of King's College, London, and Dr. Black, of Kentucky, should be the arbitrators between the said parties; that the trial should be conducted according to the rules laid down by the arbitrators, and the award of 200 guineas decided by them on undertaking that they should see fair play between the parties. On the 23d of July it was agreed that the lock should be inclosed in a block of wood, and screwed to a door, and the screws sealed, the keyhole and hasp only being accessible to Mr. Hobbs; and, when he was not operating, the keyhole to be covered with a band of iron and sealed by Mr. Hobbs; that no other person should have access to the keyhole. The key was also sealed up, and not to be used till Mr. Hobbs had finished his operations. If Mr. Hobbs succeeded in picking or opening the lock, the key was to be tried, and if it locked and unlocked the padlock, it should be considered a proof that Mr. Hobbs had not injured the lock, but picked and opened it, and was entitled to the two hundred guineas. On the same day, July 23, Messrs. Bramah gave notice to Mr. Hobbs that the lock was ready for his operations. On July 24 Mr. Hobbs commenced his operations, and on August 23 Mr. Hobbs exhibited the lock open to Dr. Black and Professor Cowper. Mr. Rennie being out of town, Dr. Black and Professor Cowper then called in Mr. Edward Bramah and Mr. Bazalgette, and showed them the lock open. They then withdrew, and Mr. Hobbs locked and unlocked the padlock in the presence of Dr. Black and Professor Cowper. Between July 24 and August 23 Mr. Hobbs's operations were for a time suspended, so that the number of days occupied by him was sixteen, and the number of hours spent by him in the room with the lock was fifty-one. On Friday, August 29, Mr. Hobbs again locked and unlocked the padlock, in the presence of Mr. George Rennie, Professor Cowper, Dr. Black, Mr. Edward Bramah, Mr. Bazalgette, and Mr. Abraham. On Saturday, August 30, the key was tried, and the padlock was locked and unlocked, with the key by Professor Cowper, Mr. Rennie, and Mr. Gilbertson, thus proving that Mr. Hobbs had fairly opened the lock without injuring it. Mr. Hobbs then formally produced the instruments with which he had opened the lock.

"We are, therefore, unanimously of opinion, that Messrs. Bramah have given Mr. Hobbs a fair opportunity of trying his skill, and that Mr. Hobbs has fairly picked or opened the lock, and we award that Messrs. Bramah & Co. do now pay to Mr. Hobbs the 200 guineas."

After the committee had submitted this report to Messrs. Bramah, and had awarded the prize of two hundred guineas to Mr. Hobbs, no one could for a moment suppose that a firm of such high standing would absolutely refuse to pay over the amount to Mr. Hobbs! They did do so, however, and on the plea that the precise terms of the agreement were, that the lock should be opened with "an instrument," and not instruments. Such a quibble is a disgrace to the firm. Moreover, there was a verbal understanding that Mr. Hobbs might use any *tools*, pro-

vided he did not injure the lock. The *Times* calls upon Messrs. Bramah to pay over the money. It says that the report "is conclusive on the merits of the question, and we trust that Messrs. Bramah will pay down their money without hesitation. It is true that, according to the terms of the challenge, a single instrument is mentioned, whereas Mr. Hobbs appears to have used three or four at least; but the main point, the picking or opening of the lock, has been accomplished, and the award of arbiters, mutually chosen, with a decided preponderance in favor of Messrs. Bramah, cannot be decently departed from."

Messrs. Chubb & Son — repeatedly vanquished, as they well know — appear to be determined that the public shall disbelieve in the existence of Hobbs! They write to the *Times* the following extraordinary letter: — "It is stated that Mr. Hobbs, the American pick-lock, accepted the challenge we had given him to try his skill upon one of our locks, and has succeeded. Will you allow us to state that this is *wholly false*, as we have twice challenged him to a fair trial, and he has refused in both cases." Mr. Hobbs could not remain silent before such a gross falsehood, and he immediately sent the following documents to the *Times*, which were published: —

"SIR, — I would gladly abstain from offering any statement of mine upon the present position of what is called the 'lock controversy.' In consequence, however, of a note signed 'Chubb & Son,' which appears in your paper this morning, I feel it a duty to myself and the public to put you in possession of two documents in reference to the alleged picking of one of Messrs. Chubb's locks by me, and request your doing me the favor of inserting them in your columns. After perusing them, it will be for the public to determine how far Messrs. Chubb have been fairly dealt by, and how far I have been successful in picking their lock.

"Your obedient servant,

"A. C. HOBBS.

"*Crystal Palace, Sept. 3.*"

[*Inclosure No. 1.*]

*American Department, Crystal Palace, July 21.*

GENTLEMEN, — An attempt will be made to open a lock of your manufacture on the door of a strong room, at 34 Great George Street, Westminster, to-morrow, Tuesday, at 11 o'clock, A. M. You are respectfully invited to be present to witness the operation.

Yours, respectfully,

A. C. HOBBS.

TO MESSRS. CHUBB & SON, St. Paul's Churchyard.

N. B. — Messrs. Chubb took no notice of this communication.

[*Inclosure No. 2.*]

*London, July 22, 1851.*

We, the undersigned, hereby certify that we attended, with the permission of Mr. Bell, of 34 Great George Street, Westminster, an invitation sent to us by A. C. Hobbs, of the city of New York, to witness an attempt to open a lock throwing three bolts, and having six tumblers, affixed to the iron door of a strong room or vault, built for the depository of valuable papers, and formerly occupied by the agents of the Southeastern Railway Company; that we severally witnessed the operation, which Mr. Hobbs commenced at thirty-five minutes past eleven, A. M., and opened the lock

within twenty-five minutes. Mr. Hobbs having been requested to lock it again with his instruments, accomplished it in the short space of seven minutes, without the slightest injury to the lock or door. We minutely examined the lock and door (having previously had the assurance of Mr. Bell that the keys had never been accessible to Mr. Hobbs, he having had permission to examine the keyhole only). We found a plate at the back of the door with the following inscription: — "Chubb's new patent (No. 161,461), St. Paul's Churchyard, London, maker to her Majesty."

Mr. Hardley, 26 Great Earl Street.

Mr. Wm. N. Marshall, 42 Charing Cross.

Mr. W. Armstead, 35 Belitha Villas, Barnsbury Park.

Mr. G. R. Porter, Putney Heath.

Mr. F. W. Wenham, Effra Vale Lodge, Brixton.

Mr. A. Shanks, Robert Street, Adelphi.

Mr. T. Shanks, Robert Street, Adelphi.

Col. C. W. Clifton, Morley's Hotel.

Mr. Elijah Galloway, 42 Southampton Buildings.

Mr. Paul R. Hodge, 9 Adams Street, Adelphi.

Mr. Charles H. Peabody, 1 Norfolk Street, Strand.

A Mr. George Lewis, a locksmith of Leicester, has publicly challenged Mr. Hobbs to pick or open a lock made on a principle of his own invention, and Mr. Lewis offers fifty pounds against twenty-five that Mr. Hobbs cannot open the aforesaid Lewis's lock. Similar challenges are frequently given to the American "lock-picker," as he is called, and the public are no doubt surprised that they are not at once accepted, but Mr. Hobbs did not visit England for the purpose of picking locks; he came to dispose of the patent for this country of Newell's bank lock. The locks manufactured by Chubb and Bramah, having the highest reputation of any manufactured in Great Britain, have been fairly opened; Mr. Hobbs simply wished to show parties likely to be interested in Newell's bank lock that these two most celebrated English locks were insecure against expert burglars; and having opened several of Chubb's locks and the Bramah test lock, Mr. Hobbs is now perfectly satisfied, and is fully determined to take no notice of petty challenges thrown down from every direction by unknown and in several instances wholly irresponsible persons. Thus terminates the celebrated "lock controversy."

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**BANK LOCKS.** — Mr. Hobbs has placed the Newell Parautoptic Lock on the Bank of England, and is at present negotiating to place them on all the government institutions, instead of the Chubb and Bramah locks. No doubt he will succeed in doing so, and then Great Britain will have admitted to the whole world, that none other than a "live Yankee" could give the desired *perfect* security for their gold and government records. The Newell Parautoptic is the only lock at the World's Fair submitted to the test of burglars and others, that *was not successfully picked*. Messrs. Day & Newell, we learn, have already had heavy orders for their locks for the English market, and have shipped large numbers of them to Mr. Hobbs. These gentlemen, it should be further stated, were the recipients of a gold medal for their Parautoptic Lock, at the late Fair of the American Institute in New York, and when we reflect upon all their triumphs, both at home and abroad, and the fame they have given to American ingenuity, we are certain that every lover of his country must exult at their prosperity. Perhaps the best conclusion we can give to this matter is to say, that, in claiming the championship of the world, Messrs. Day and Newell invite the attention of persons wanting bank locks to their standing challenge of \$ 1,000 to any one who will pick their lock, with a view to prove whether they are entitled to this supremacy." — *Correspondent of the Albany State Register.*

## LEGAL MISCELLANY.

## BILLS OF EXCHANGE. — AGENCY. — LIABILITIES OF BANKS.

From the New York Courier and Enquirer.

*Before the Superior Court of New York City, November, 1851. — Sandford, Duer, and Campbell, Justices.*

G. W. THATCHER vs. THE BANK OF THE STATE OF NEW YORK AND D. THATCHER.

**NOTE.** — The following is an important case, as a precedent; and shows the danger of permitting, at any time, an infraction of strict and essential rules in banking. When parties make acceptances payable at places where they do not reside, their bills should be payable at the counting-house of a correspondent. It is an excellent rule, and avoids much inconvenience and uncertainty, to make acceptances and notes payable at the bank where the payer keeps his account. In large cities this rule should be strictly adhered to by merchants. — Ed. B. M.

On the 5th of July, 1850, G. W. Thatcher, at St. Louis, Missouri, drew a bill of exchange on D. Thatcher, of Bridgeport, Connecticut, for \$2,500, payable at the Bank of the State of New York in this city, on the 5th of October, 1850. The bill was accepted, and, after being twice indorsed, was sent to the American Exchange Bank for collection. On the day it became due, at or soon after 3, P. M., the notary of that bank presented it at the Bank of the State to a person at the paying teller's desk (not the paying teller), who said there were no funds to pay it. The bill was thereupon protested for non-payment, the usual notice thereof given, and it was returned to the holder at St. Louis, who claimed and received of the drawer, G. W. Thatcher, ten per cent. damages, that being the rate allowed by the statute of Missouri. It appeared that on the 5th of October, 1850, the bank clerk of E. D. Morgan & Co., before 10½ A. M., handed to the paying teller of the Bank of the State of New York their certified check for \$2,500 (the same as cash), and asked him to pay the bill in question when presented that day. The teller took the check, but made no answer to the request. The check was subsequently received from him. This clerk had before left funds with the paying teller to take up paper accepted by D. Thatcher, and he testified he had been in the habit of leaving funds with other paying tellers to take up paper, and no teller ever refused to take the same. The paying teller of the American Exchange Bank testified that it was customary to leave funds with the paying teller, when the note is payable at a bank, and the party keeps no account there.

Neither of the Thatchers kept an account in the Bank of the State of New York, or ever had any funds deposited there to their credit. Some other facts appearing at the trial are mentioned in the opinion of the court. At the close of the evidence, the counsel for the bank moved for a nonsuit. The judge reserving the question, denied the motion, and gave a *pro forma* judgment for the plaintiff, from which the bank appealed to the general term.

*By the Court.* — *Sandford, J.* — The action is founded wholly upon

the neglect of the bank to pay the bill of exchange drawn by the plaintiff, and it was incumbent on him to establish that the bank had assumed or become liable to perform such a duty in his behalf.

The complaint alleges that the plaintiff or his agents left funds with the paying teller for the purpose of paying the bill ; but there is no proof of that statement. It does not appear who furnished the funds, and inasmuch as it was presumptively the acceptor's duty to provide them, we certainly are not at liberty, in the absence of proof, to infer that they were furnished by the drawer. As the case stands, the money was delivered to the teller in behalf of the acceptor, and if the bank assumed any duty in the premises, it was to him, and he alone was entitled to an action for its neglect. There was no privity whatever between the bank and the drawer ; the bank owed no duty to him, and if he can maintain this suit for damages, so can each of the indorsers to the extent of their damages and disbursements growing out of the protest of the bill. The proper course, on the plaintiff's case as proved, was for the acceptor to pay the protested bill, and then bring his action against the bank.

Assuming, however, that the drawer left the money, and can maintain a suit, how does the case stand ? Was the paying teller the agent of the bank or of the drawer of the bill, in receiving the money in question ? It appears that in this bank there were a cashier, a paying teller, and a receiving teller. Now we know and may assume (as was done 7 Hill, 94) that the cashier is the principal executive officer of the bank. A bank is not bound to receive on deposit, or to keep, the funds of every man who offers money for that purpose. It may select its dealers, and refuse such as it pleases. For the purposes of this selection, the cashier appears to be the proper officer. The bank pays for its dealers, who have funds to their credit, such bills and notes, accepted or drawn by them, as are payable at the bank. The latter circumstance is deemed an order of the depositor for the payment of the bill or note out of his funds deposited. But it is only in respect of its dealers, persons keeping an account with the bank, that this course of business exists or can exist.

A person may, no doubt, become a dealer, by a deposit made on the day his note or draft falls due, though never before in the bank ; but his deposit must be made with the proper officer of the institution, and with the requisite assent to his becoming such dealer.

In this instance, there is, in the first place, no pretence that the cashier, or any officer of the bank except the paying teller, ever assented in any manner to the plaintiff's making a deposit or becoming a dealer with the bank. The first step toward establishing a duty of the bank toward the plaintiff is therefore wanting.

Let us suppose this difficulty obviated, the next step is to show a deposit properly made, that is, that the money was left with an agent of the bank authorized to receive it. The person who left the money knew that the agent who received it was the paying teller, and not the receiving teller of the bank, and it cannot be said that he was ignorant of the fact that there were two such officers. Indeed, there was no such idea advanced at the trial. Now the very names of these two agents indicate

to every one the proper and widely different functions of each. The one is to pay the money of the bank; the other is to receive moneys for the bank. Dealers always pay their money to the receiving teller. When they draw money from the bank, or their notes or bills are presented made payable at the bank, the paying teller pays the amount to them, or to the holders of such notes or bills.

But we are not left to the inference derived from the names of these agents. The answer states that the proper receiving officer of the bank is the receiving teller, and that it was not within the duties of the paying teller to receive the money left in this instance, or to assume to pay the plaintiff's bill with it, and that it is not in the usual course of business to deposit moneys with the paying teller. The reply does not traverse the allegation as to the receiving teller being the proper receiving officer of the bank, but it alleges that the receiving of money by the paying teller, in the bank, during bank hours, is within the ordinary scope of the business of the paying teller and of the bank, and that his receipt and promise in the instance before us were within his duties, and bound the bank.

So far from the proof showing that in this transaction the paying teller was the agent of the bank, it clearly shows that he was the agent of the party who left the money. The bank had nothing to do with the affair, nor was it intended that it should have. The drawer, it seems, was in the habit of drawing bills payable at this bank, but he kept no account or money there, and his sole object in this operation appears to have been to give a sort of currency to his bills, because payable at a New York bank. If he had opened an account with the defendants' bank, and kept funds there, the bank would have had the usual benefit of its dealings with depositors, and his bills would have been paid of course on presentment.

The case of the *Manhattan Company vs. Lydig*, 4 Johns. R. 377, was like this in principle. There, the party, instead of delivering his money to the receiving teller of the bank, handed it, from time to time, to the bank's book-keeper to deposit for him. The book-keeper kept part of the money; but by false entries in the dealer's pass-book and in the books of the bank, concealed the abstraction from both. Sometimes, in a pressure of business, this book-keeper assisted the receiving teller, and sometimes supplied his place in his absence; but none of the money in controversy was delivered to him on those occasions. The Supreme Court decided that the book-keeper in receiving these moneys was the agent of the party and not of the bank, and that the bank was not liable for that portion which did not come to the hands of the receiving teller or the person temporarily supplying his place in the bank, or which did not otherwise come into the coffers of the bank.

On the case made at the trial, the plaintiff was not entitled to recover. The formal judgment entered in his favor must be reversed, and a judgment rendered for the defendants.



## THE COINS OF THE ROMAN EMPIRE.

BY WILLIAM E. DU BOIS,  
ONE OF THE ASSAYERS OF THE UNITED STATES MINT.

Continued from page 360.

## DIVISION V.

## AURELIAN TO THE END OF THE WESTERN EMPIRE. 270-475.

**XXXV.** AURELIAN, general of cavalry, succeeded, A. D. 270. His reign of five years was employed in clearing the Empire of the numerous foes, foreign and domestic, who had for years been threatening its existence. He was entirely successful, and the Roman rule was everywhere reestablished. He was a severe disciplinarian, such as the times required; but his severity gave ground for a conspiracy, which cost him his life, A. D. 275. He was over sixty years of age at his death.

3. Middle brass. IMP. AURELIANUS AUG. R. CONCORDIA AUG.

4. Small br. R. VIRTUS AUG. 5. Small br., of Severina, Empress. R. CONCORDIÆ MILITUM.

**XXXVI.** On the death of Aurelian, a singular contest arose between the army and Senate, each requesting the other to nominate a successor. Six months elapsed in this generous strife; at length the Senate chose TACITUS, and of their own body, seventy-five years old, and of exemplary character. He lived only six months after his elevation. The historian Tacitus was claimed by the Emperor as his ancestor.

10. Brass. IMP. C. M. CL(audius) TACITUS AUG. R. FELICIT(as) TEMP(orum). 11. R. A woman holding a purse; UBERITAS. "Plenty." 12. R. CONCORDIA MILITUM. 13. Silver, of Florianus, brother of Tacitus, who assumed the purple as successor, but was murdered by his troops, A. D. 276. *cb.* 14. Brass, of the same. VIRTUS AUG.

**XXXVII.** PROBUS, during a reign of six years, was warring from the Rhine to the Nile, and always with success. In a recess of peace, having set the soldiers to draining a marsh, a mutiny was raised, and he fell, A. D. 282, aged fifty. "In civil and military virtue, he was equal to any predecessor."

17. Gold. IMP. C. M. AUR(elius) PROBUS AUG. R. SECURITAS SÆCULI. In the exergue, SIS., for Siscia, either his birthplace, or the place of coinage. 18. Plated brass. R. ROMÆ ÆTERNÆ. (He repaired the city.) 19. Small brass. SOLI INVICTO. 20. R. VICTORIA GERM. The Germans were driven from Gaul with immense loss; nine kings submitted, and sixteen thousand German youth were taken into the Roman army.

**XXXVIII.** CARUS, Pretorian Prefect under Probus, succeeded that prince by election of the army, A. D. 282, at the age of fifty-two. He was killed in his tent by lightning, in a campaign against Persia, about one year after.

26. Brass. IMP. CARUS P. F. AUG. R. SPES PUBLICA. P. XXI. 27. R. PAX EXERCIT. XXI.

**XXXIX.** CARINUS and NUMERIAN, sons of Carus, succeeded their father, A. D. 283. The former was plunged in debauchery; the latter, a virtuous youth, contracted a disease of the eyes in grief for his parent, which obliged him to travel in a close litter. In this hidden place he was murdered by his ambitious father-in-law, Aper, A. D. 284. Carinus also died by violence, a year after.

29. Small brass. M. AUR(elius) CARINUS NOB(ilis) C(æsar). R. PRINCIPI JUVENT. 30. PIETAS AUGG. (These two were struck before the death of Carus.) 31. Washed brass, of MAGNIA URBICA, a lady known only by her coins, but supposed to be the wife of Carinus. R. VENUS GENETRIX. cb. 32. Brass, of the same. R. VENUS VICTRIX. 33. Base silver. DIVO NIGRINIANO. This deified youth is supposed to have been a son of Carinus. cb. 34. Base silver, of JULIANUS, usurper. cb. 35. Gold. R. AUR(elius) NUMERIANUS NOB. C. R. PRINCIPI JUVENT. 36. Silver. R. PIETAS AUGG. cb. 37. Brass. IMP. NUMERIANUS AUG. R. PIETAS AUGG. 38. R. PROVIDENTIA AUGG. XXI. 39. Brass, same legends as the gold coin.

XL. DIOCLETIAN, a master spirit, though born a slave, received the Empire from the army, A. D. 286, at the age of forty. The next year he associated MAXIMIAN HERCULES; and in 292, the two called to their aid GALERIUS and CONSTANTIUS CHLORUS, as Cæsars, and the Empire was divided into four jurisdictions; Diocletian in the East, Maximian over Italy and Africa, Galerius in the region between the Adriatic and Euxine, and Constantius in the West. The two Emperors abdicated in 305. This long reign was signalized by the increase of despotism, by incessant wars, and by a systematic effort to root out Christianity.

41. Gold. DIOCLETIANUS P. F. AUG. R. JOVI CONSER. AUGG.

42. Silver. R. XCVI. AQ. (Struck at Aquileia, in Italy.) 43. R. The Emperor and officers sacrificing before a camp. VIRTUS MILITUM.

44. Brass. R. JOVI TUTATORI AUGG. "To Jupiter, defender of the Emperors." 45. R. GENIO POPULI ROMANI. AQ. P. "To the Genius of the Roman People." 46. R. VOT. XX., within a wreath.

47. CONCORDIA MILITUM. 49. Gold. IMP. C. M. A. MAXIMIANUS AUG. R. VIRTUTI HERCULIS. 50. Silver. R. Same as No. 44.

51. R. As on No. 41. cb. 52. Brass. D(omino) N(ostro) MAXIMIANO BEATISSIMO SEN. AUG. "To our most blessed lord Maximian the elder." 53. R. GENIO AUGG. et CÆSARUM N. N. KA. (Carthage mint.)

54. As No. 47. 55. IMP. CARAUSIUS P. F. AUG. R. PAX AUG. This remarkable man was a Roman admiral on the coast of Britain. In 287 he seized upon that island, made it an empire for himself, and forced an acknowledgment of his claim by the Roman Emperors. He reigned with *éclat* for six years, when he fell by the hand of his minister Allectus; who was subdued by the forces of Constantius, two years after, 295. (The coins extant of these two usurpers or emperors are comparatively few, although they are of considerable variety in device. This specimen was lately dug up in England.)

XLI. The administration now presents a confused multitude of Augusti and Cæsars. GALERIUS and CONSTANTIUS CHLORUS, succeeding their patrons in 306, SEVERUS and MAXIMIN DAZA were called to take part in the government. In 306, the restless Max. Hercules returned to the Empire with his son MAXENTIUS; Severus was made Emperor; Constantius died (in Britain), and his son CONSTANTINE took the rank of Cæsar. In 307, Severus died, and LICINIUS became an Emperor. 308, Maximin Daza assumed the purple in the East, and Constantine in the West, so that the Romans now supported the burden of six emperors, each with his court and camp. Four of these died or were killed nearly at the same time: Maximian in 310; Galerius, 311; Maxentius, 312; and Maximin Daza, 313. History hesitates to decide which was the greatest tyrant.

58. Silver. CONSTANTIUS CÆS. R. As No. 43. 59. Small brass. R. CONCORDIA MILITUM. 60. Small brass, of Theodora, second wife of Constantius. 62. Silver, of Galerius. MAXIMIANUS NOB. C. R. A camp; VIRTUS MILITUM. 63. Brass. IMP. C. GAL(erius) VAL(erius)

**MAXIMIANUS P. F. AUG. R. GENIO IMPERATORIS.** 64. **R.** As No. 45. 65. Brass, of Valeria, wife of Galerius. 66. Brass, of Severus. **R. SALVIS AUGG. ET CÆS. FEL. KART.** 67. Do., of Maximin Daza. **R. As No. 63.** 68. Small brass, of the same. 69. Brass, of Maxentius. **R. CONSERV. URB. SUE.** "Preserver of his own city." 70. Small brass, of Romulus, infant son of Maxentius.

**XLII. CONSTANTINE the Great**, succeeding his father in the West in 306, had but one colleague, or competitor, remaining in 313. **LICINIUS**, his brother-in-law, reigned in the East; and after various collisions and compacts, the latter was forced to yield his throne in 323, and his life the year after. Constantine, remaining sole Emperor, restored peace and solidity to the Empire, built a new capital (Constantinople), and established Christianity as the state religion. He died in 337, at the age of sixty-three.

73. Gold. **CONSTANTINUS MAGNUS. R. Jupiter standing; JOVI CONSERVATORI AUGG. TS. B.** This must have been struck before his conversion to Christianity (in 311), or before his open avowal of it.

75. Small brass. **R. SOLI INVICTO COMITI.** (The sense is obscure.) 76. **R.** A camp; **PROVIDENTIA AUGG.** 77. **R.** Mars standing; **MARTI CONSERVATORI.**

[There is a rare type extant, not in this collection, bearing the monogram of Christ, and the legend **IN HOC SIGNO VINC(ES)**; the Latin version of *Touto Nika* (Gr.), "By this (sign) conquer." This sign was the appearance of a splendid cross in the heavens, which, as he affirmed some years afterwards, was presented to his view, near Milan, on his march against Maxentius; and to which he attributed both his victory and his conversion. It is remarkable as the introduction of the Christian emblems, which become more and more common, until scarce any thing else appears on the coins. See the series of the Lower Empire.]

78. Silver. **FLAV(ia) MAX(ima) FAUSTA AUG. R. The Empress suckling two infants; SPES REIPUBLICÆ. SIRMIVM.** (She was the daughter of Maximian, sister of Maxentius, and wife of Constantine. Having caused the death of Crispus by a false charge, she was condemned by the Emperor to the same fate, 326, after a union of nineteen years.) *cb.* 79. Small brass, same type. 80. Same figure, with **SALUS REIPUBLICÆ.** 81. **JUL(ius) CRISPUS NOB(ilis) CÆS. R. VIRTUS EXERCIT.** Crispus was the son of Constantine, and a favorite of the army; but was put to death on an accusation of the Empress, his step-mother, 326.

82. **R. VICT(or)Æ LETÆ PRINC. PERP. SISCIA.** 83. Silver. **FL(avius) DELMATIUS NOB. CÆS.** He was a nephew of Constantine, and governed Greece; killed by the soldiers, 337. *cb.* 84. Small brass, of the same. **R. GLORIA EXERCITUS.** 85. Brass. **IMP. LIC(inianus) LICINIUS P. F. AUG. R. As No. 73.** 86. Small brass; same reverse. 87. **R. as No. 75.** 88. Small brass, of the younger Licinius. (Put to death, 326, at the age of eleven years.)

**XLIII. The Empire now underwent another division and reunion. CONSTANTINE II. had the West; CONSTANS the middle provinces, with Italy; and CONSTANTIUS II. the East. The first fell in a war with his next brother, A. D. 340; the second was overcome by Magnentius, 350; and from the overthrow of that usurper, in 353, Constantius II. remained sole Emperor, finishing a long and inglorious reign in 361, aged forty-four.**

89. Gold. No legend around the head. **R. CONSTANTINUS CÆSAR.** 90. Silver. **R. VOTIS XXX. MULTIS XXXX. ANT.** (for the mint at

Antioch.) 91. Small brass. CONSTANTINUS JUNIOR NOB. C. R. GLORIA EXERCITUS. 92. R. CÆSARUM NOSTRORUM. VOT. V.

93. R. Same, with VOT. X. 94. R. A camp; PROVIDENTIA CÆSS. 95. Gold. CONSTANS AUGUSTUS. R. VICTORIA DD. NN. AUGG. TR. On a shield held by two genii or angels, VOT. X. MULT. XX. See No. 101. 96. Brass. R. A soldier holding the military ensign or labarum, on which is the monogram of Christ. FEL(icium) TEMP(orum) REPARATIO. "The restoration of happy times." 97. Small brass. R. as No. 95, except the shield. 98. CONSTANTINOPOLIS. Helmeted head, personifying the new city. 99. Gold. FL. JUL. CONSTANTIVS PERP. AUG. R. A shield, with VOT. XX. MULT. XXX. Legend, GLORIA REIPUBLICÆ. SMNT. 100. Gold quinarius. R. VICTORIA AUGUSTI. VOT. XXX. 101. Silver. R. VOTIS XXV. MULTIS XXX. ANT. (This inscription, the style of which now becomes common, is a brief way of saying, that the Emperor has renewed or accomplished his inaugural vow twenty-five times, i. e. has enjoyed the title of Augustus, or Cæsar, for twenty-five years, and it is hoped that he will complete at least as many as thirty; this is the only plausible interpretation of MULT. XXX. It seems but a feeble compliment to a monarch; however, as will be seen by the next coin, as soon as he had accomplished VOTIS XXX., the wish was ready for MULT. XXXX.) 102. R. VOTIS XXX. MULTIS XXXX. It must be counted from the time he was created Cæsar by his father, in 323. 103. Brass. A soldier leading a child; FEL. TEMP. REPARATIO. The favorite legend of Constantine's family.

104. R. GLORIA ROMANORUM. 105. Sm. brass. CONSTANTIVS JUN NOB. C. R. A globe on a pedestal. 106. R. GLORIA EXERCITUS.

107. R. VOT. XX. MULT. XXX. 108. Silver, of Vetrician, a Roman general and usurper, in Pannonia; reigned ten months. *cb.*

109. Brass, of Magnentius, a more formidable usurper, in Gaul reigned three years, and was subdued, after refusing a share of the Empire offered by Constantius, 353. 110. Sm. brass, of the same.

111. Silver, of Decentius, brother and coadjutor of Magnentius.

112. Large silver, of the same. The Christian symbol behind the head. *cb.*

XLIV. JULIAN, nephew of Constantine the Great, was famous for his efforts to bring back the Empire to paganism, chiefly by his pen. Some real reforms were also brought about in the government and the manners at court. But the desire of figuring as a conqueror led him into Persia, from whence he with difficulty effected a retreat, and on the way lost his life, 363, at the age of thirty-two, and after a reign of two years, counting from the death of Constantius II., or about three from his elevation by the army at Paris.

113. Gold. FL(avius) CL(audius) JULIANUS P. P. AUG. R. VIRTUS EXERCITUS ROMANORUM. SIRM. 114. Silver. D(ominus) N(oster) FL., &c. R. VOT. X., MULT. XX. Counting from his *Cæsarship*. — The long beard recalls the derision of the citizens of Antioch, where he wintered, and the consequent production of the *Misopogon*, one of the Emperor's literary efforts. 115. Large brass. R. The sacred bull Apis; SECURITAS REIPUBLICÆ. CONST. Julian was partial to the Egyptian deities. 116. Small brass, of the same. 117. Small brass of Helena, wife of Julian, and sister of Constantius II. SECURITAS REIPUBLICÆ.

XLV. Whilst the generals were in conclave, the soldiers proceeded to elect JOVIAN, a subordinate officer, and a man of no pretensions. He survived his elevation only seven months, A. D. 364. Christianity was restored to imperial favor.

123. Brass. D. N. JOVIANUS P. P. AUG. R. VOT. V. MULT. X. SIRM. 124. R. The same, except the mint-mark, which is SIS. (When these pieces were struck, the imperial vow for five years was evidently just assumed, not completed; showing that these dates are to be variously understood.)

XLVI. VALENTINIAN L, son of Count Gratian, received the Empire from the army, and at their instance placed his brother VALENS over the Eastern provinces. The tendency towards a division of Rome was thus accelerated. The former died 375, having reigned eleven years; the latter survived him three years, and was burnt to death in a cottage, where he had taken shelter in battle.

129. Gold. Head and titles of Valentinian. R. VICTORIA AUGG. TR. OB. 130. Silver. R. VOT. X. MULT. XX. ANT. 131. Small brass. R. The Christian cipher on a military standard; GLORIA ROMANORUM. SISC. 132. R. SECURITAS REIPUBLICÆ. 133. Silver. URBS ROMA. TRPS. 134. Small brass. RESTITUTOR REIPUBLICÆ. SIS.

135. SECURITAS REIPUBLICÆ. 136. Silver, of Procopius, a usurper at Constantinople. *cb.*

XLVII. GRATIAN, a youth, and VALENTINIAN II., a child, succeeded to the throne of their father in the West, 375. On the death of Valens, they associated the famous Theodosius, of Spain, who was stationed in the East. Gratian fell in 383, at the age of twenty-four, while on the march against a usurper in Gaul; his brother perished by the hand of an assassin in 392, aged twenty-one; and the whole Empire remained to Theodosius.

137. Gold. Head and titles of Gratian. R. As No. 129.

138. Silver. R. URBS ROMA. TR. PS. 139. Brass. R. REPARATIO REIPUBLICÆ. P. CON. 140. Small brass. R. SECURITAS REIPUBLICÆ. SIS. 141. Brass. D. N. MAGNUS MAXIMUS P. F. AUG. R. As on No. 139. A usurper in Gaul, who maintained his power four years, 383-387. 142. Gold. Head and titles of Valentinian, jun. R. As No. 129. 143. Brass. R. As No. 139. 144. Smallest brass. R. SALUS REIPUBLICÆ.

XLVIII. THEODOSIUS I. was called to a participation of the Empire in 379, at the age of thirty-three. He became sole Emperor in 392, and was the last to enjoy that distinction. In 395 he expired, after an illustrious reign, and left the realm to be divided between his two sons.

145. Gold. Head and titles of Theodosius. R. As No. 129.

146. Small silver. VOT. MULT. XXXX. 147. Brass. R. REPARATIO REIPUB. SIS. 148. R. As No. 131. 149. Small brass. CONCORDIA AUGG. SIS. 150. Brass, of Flacilla, Empress. R. A female figure, and the Christian monogram. SALUS REIPUBLICÆ. CONS.

XLIX. From the accession of Honorius, in 395, about eighty years elapsed to the extinction of the Western Empire. The period was marked by a succession of feeble or nominal princes; by the daring inroads of barbarians; the loss, one by one, of the provinces of Britain, Gaul, Spain, and Africa; and finally the establishment of a Gothic monarchy in Italy itself.

153. Gold, of HONORIUS. R. As No. 129. (Died in 423.)

154. Silver. R. VIRTUS ROMANORUM. (A remarkable legend for the times.) 155. Brass. R. Imperfect. 156. Silver, of CONSTANTIUS III., associate of Honorius, for seven months only. *cb.*

158. Silver. JOHN, secretary to Honorius, afterwards a usurper of the throne, 425. *cb.* 159. Gold, of VALENTINIAN III. Placidius. R. As No. 129. (425-455.) 160. Silver, of Justa Grata Honoria,

sister of the preceding. *R.* A figure holding a large cross upright; *BOHO REIPUBLICÆ*. *CONOB.* *cb.* 163. Gold, of SEVERUS III. An Emperor created by Ricimer, a barbarian general in the Roman service, and really at the head of affairs. *R.* As No. 129. (461 – 465.)

166. Silver, of Ælia Euphemia, wife of Anthemius. *cb.* 168. Silver, of OLYBRIUS, Emperor for three months. 472. *cb.* 169. Small gold, of JULIUS NEPOS. *R.* A cross; *CONOB.* 474. Romulus Augustus, commonly styled AUGUSTULUS, the last, and merely nominal Emperor, was deposed by Odoacer, 475. The Roman Empire in the West is usually considered as ended at this date.

## DIVISION VI.

### BYZANTINE EMPIRE.

At the death of Theodosius I., A. D. 395, the Empire was divided between his two sons, Arcadius and Honorius, the former ruling at Constantinople, the latter at Rome. Although no formal or absolute separation between the East and West was intended by this arrangement (for it had often been practised before), yet such was the ultimate effect. It is not easy to mark the extent of the later Roman Empire, either as to time or territory. Even after the imperial line in the West had ceased (A. D. 475), there was more or less recognition of the sovereign authority of the Emperor at Constantinople, by the barbaric kings, and the popes, in Italy; and Justinian (A. D. 534 – 553), by his renowned generals, Belisarius and Narses, vindicated his title to that region, and to Africa. The crowning of Charlemagne at Rome, A. D. 800, and his proclamation as Emperor of the West\* by Pope Leo III., seems to be the most decided limitation of the power of the Eastern Emperor, and a proper commencement for the distinctive name of "*Byzantine*," "*Eastern*," or "*Lower*" Empire. But, as the authority of the monarch at Constantinople was, on the whole, but feebly acknowledged, and more feebly felt, west of the Adriatic Sea, from the time of the division as above stated (395), there is a propriety in dating the Byzantine Empire from that event; and a mixture of unfitness in still designating it, as all historians and numismatists do, as the Roman Empire. This is especially realized as we descend to the last days of the Greek dynasty, and find scarce any part of the immense dominion left, except its trembling capital. But the conquest of Constantinople by the Turks, in 1453, affords an undisputed resting-point.

The coins of this division, if of no interest as works of art, farther than to prove the extreme degeneracy of taste and skill, are equal to any as curiosities, and as illustrations of history.

\* This title has precariously descended almost to our own day. When the Emperor of Germany changed his title to Emperor of Austria (A. D. 1804), he dropped the old honorary suffix, *Romanus Imperator*. But historians scarcely speak of the Roman Empire as properly continued under the successors of Charlemagne.

Although the series takes in eight centuries of time, there is a general similarity of tone, especially if we start with the second Theodosius; so that one may be sure, by a casual glance at any of them, that it is Byzantine, and not Roman proper. However, they fairly admit of subdivision, and it is not a forced coincidence which places the line at A. D. 811, about midway in the whole series.\*

Previous to Michael I. (811-813), we have these peculiarities. On the gold and silver (there is but little of the latter) we have the Emperor, head and bust, and always front face; on the reverse, the monotonous and unjustifiable VICTORIA AUG., at least not justifiable in any other sense than that the Augustus had triumphed over his predecessor. Within this legend, on a high throne, the cross stands conspicuous and erect. As for the copper coins, there is not much variation from the colossal and unintelligible M, K, or I, occupying the field of the reverse. Occasionally, when the imperial power was divided, a number of heads or figures were crowded upon the coin, on both sides.

But from the accession of Michael Rhangabe, we observe a new phase in the coinage, and a more decided display of religious sentiment. The bust or full length of Christ, signalized by the nimbus and legend *ΙΗΣΥ ΧΡΙΣΤΥΣ*, *ΝΙΚΑ(τορ)*, or *ΒΕΧ ΒΕΓΝΑΝΤΙΥΜ*, or *ΒΑΣΙΛΕΥΣ ΒΑΣΙΛΕ(ον)*, expressive of his preëminence as Conqueror, and King of kings, generally occupies one side of the gold and silver coins; on the reverse, the Emperor is sometimes alone, and sometimes shares the space with the Virgin, *ΜΗΡ ΘΥ*, (*Mater Theou*, "Mother of God,") the two holding aloft, and between them, the standard of the cross. The imperial heads or faces, which in the former series seemed to follow the usual human outline, are here fantastically compressed into triangles or trapeziums. As we near the crusading era, the figures are nearly all at full length, standing or sitting. The legends also have completed the transition from the Latin language to the Greek. On the copper, the vast letters M, K, &c., are nearly superseded by inscriptions, to the same effect as above cited, occupying the field. It is remarkable, however, that while the reading on the copper is quite conspicuous and distinct, that of the gold and silver is so affectedly minute, that a modern eye can scarcely make it out without a magnifier.

(It should be here explained, that we continue the use of the numismatic term *brass*, in the lower coinage, although *copper* seems to be more proper, in every case.)

8. Gold, of ARCADIUS, Emperor. 395-408. VICTORIA AUGGG.

9. Silver. *Β. VIRTUS ROMANORUM*. 10, 11. Middle brass. *GLORIA ROMANORUM*. 12. Small br. *VIRTUS EXERCITI*. 13. Very small br.

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\* That is, by leaving off at about A. D. 1300; there are no coins certainly known later than Andronicus II., who reigned 1282-1328.

The coincidence is more remarkable in another respect. The war against the use of images, which agitated both church and state from the time of the edict of Leo the Isaurian, 726, was brought to an end about 800, by the defeat of the Iconoclasts. The renewed worship or veneration of images was, no doubt, one cause of the marked change in the devices of the coinage, as stated further on.

**SALVS REIPVB.** 15. Gold, of THEODOSIUS II., son of Arcadius, and Emperor. 408-450. IMP. XXXXII. Cos. XVII. P. P.

16. Small br. CONCORDIA AVGG. Expresses a season of harmony between the Eastern and Western Emperors. 17. Gold, of MARCIAN. 450-457. R. as No. 8. 18. Gold. LEO I. 457-474. The usual R. VICTORIA AVGG. 19. Gold. ZENO. 474-491. 20. Gold. ANASTASIUS. 491-518. 22. Large brass. M. 23. Middle br. K. E. 24. Small br. K. 25. Very small br. I. By this series, the mysterious initials, already mentioned, would seem to stand for denominations of coin; but some subsequent instances rather oppose this inference. 26. Gold, of JUSTIN I. 518-527. 27, 28, 29. Large and middle brasses, of the same. 30. Gold, of JUSTINIAN I. 527-565. (Died at the age of 82.) 31, 32, 33. Large and middle brasses of the same; ANNO XIII—XVI—XVIII. They do not answer to our preconceptions of the era of the Civil Code and Pandects.

34. Small silver coin of GELIMAR, king of the Vandals in Africa. (His kingdom was overthrown, and himself captured, by Belisarius, A. D. 534. He was honorably treated, and provided for, by Justinian.) D. N. RX. GELIMA. Head of the prince. 36. Gold, of JUSTIN II. 565-578. 37, 38. Large brass of Justin, with Sophia, Empress.

39. Large br., of TIBERIUS II. ANNO VI. 578-582. 40. Gold, of MAURICE. 582-602. 41, 42. Large and small br., of the same. ANNO X.—III. 43. Gold, of FOCAS (as it is on the coins), usually spelt Phocas. 602-610. 44. Large br., of the same. 45. Middle br., Phocas, and Leontia, Empress. 46. Gold, of HERACLIUS I. 610-640. Heads of the Emperor and son. 47. Large silver, of the same. (Weighs 100 grs.) 48, 49, 50. Large and middle brasses, of the same. 51. Silver, of CONSTANS II. 641-668. 52. Gold, of CONSTANTINE IV., surnamed POGONATUS, on account of his beard, which is conspicuous. 668-685. 53. Sm. brass, of the same.

54. Gold, of JUSTINIAN II. 685-711. The loss of his nose, with his throne, occasioned the surname of RHINOTMETUS. 57. Gold, of ANASTASIUS II. 713-716. 58, 59, 60. Small brasses of LEO III., the Isaurian. 717-741. 61. Gold, of MICHAEL I. Rhangabe. 811-813. R. Head of Christ; ihsys xristos. 62. Pale gold; the same head, with ic. xc. 63. Large brass, of MICHAEL II., with Theophilus. 820-829. 64. Gold, of THEOPHILUS. 829-842. R. Heads of his sons. 65, 66. Large brass, of the same.

67. Gold, of BASIL I. 866-886. R. Figure of Christ, sitting; ihs xrs rex regnatrm. (The spelling of those times was not critically exact.) 68. Middle brass, of Basil and his sons. 69, 70. Middle br., of LEO VI., surnamed the Wise. 886-911. R. LEoh EH ΘEO BASILEVS ROMEoh. "Leo, in (or under) God, King of the Romans." *Basileus* was then considered an equivalent to *Imperator* or *Autocrator*.

71. Middle brass, of Leo and his brother Alexander. LEoh s. ALEX-ahgros (so spelt) BASIL. ROMEoh. This, as in the previous coin, is an inscription, spread over the whole reverse of the piece.

72. Gold, of ROMANUS I., with his son Christophorus. 919-944.

73. Gold, of CONSTANTINE X., with his son Romanus II. 911-



959. A part of the time he was colleague with Romanus I. 74. Middle br., of Constantine alone. 75. Same, of Constantine, and his mother Zoë. 76. Same, of ROMANUS II. 959-963. R. As No. 69.

78. Gold, of NICEPHORUS II. PHOCAS. 963-969. See frontispiece, No. 4. 79, 80, 81. Large brasses, of JOHN ZIMISCES. 969-975. Large inscriptions on the rev., of "Jesus Christ, King of kings," with slight variety. 82. Same. ic. xc. NI KA., arranged in the four angles of a cross. "Jesus Christ, the Conqueror." 85. Large thin silver, of CONSTANTINE XII. Monomachus. 1042-1054. R. The Virgin standing with uplifted hands. 86. Gold, of ROMANUS IV. 1068-1071. The Emperor and Virgin standing side by side; the latter with her hand on the Emperor's head. R. Christ, seated.

87. Gold, of the same, and nearly the same devices. 88. Pale gold, concave, or "incuse." Michael VII. 1071-1078. 89. Pale gold, incuse. NICEPHORUS III. Botoniates. 1078-1081. The Emperor at full length, holding the globe and labarum. 90. Same, in gold, except the Emperor in half-length. 92. Gold, of ALEXIUS I. Comnenus. 1081-1118. ΑΛΕΞΙΩ. ΔΕΣΠΟΤ. ΤΩ. ΚΟΜΝΗΝΩ. "Alexius Comnenus, despot." 93. Gold, of the same. R. Figure of Christ seated, as if in the act of teaching; holding in one hand the Sacred Scriptures, the other hand uplifted. ic. xc. 95. Gold, of JOHN II. Comnenus, surnamed the Handsome. 1118-1143.

96. Gold, of MANUEL I. Comnenus, surnamed Porphyrogenitus, "Born to the purple." 1143-1180. (It was somewhat a rare honor to be born to a reigning Emperor, and actually to succeed him, the two conditions requisite to this title, which occurs in several instances.)

97, 98. Silver, of the same. 99, 100. Small br., of the same.

101. Middle br., ANDRONICUS I. 1183-1185. 102. Small br., ISAAC II. Angelus. 1185-1203. 103, 104. Coins in middle brass, bearing the head of Christ, with ic. xc. on one side, and an ornamented cross on the other; they are believed to be of the brief dynasty of Latin princes, or Crusaders, who turned aside from their way to Jerusalem, A. D. 1203, to capture Constantinople. They retained the Byzantine Empire, or a large part of it, near sixty years. The throne was restored to the Greek dynasty by the victories of Michael VIII. Paleologus, A. D. 1261. 106. Pale gold, of ANDRONICUS II. Paleologus. 1282-1328. R. The Virgin, with uplifted hands, surrounded by the walls of Constantinople.

107, 108, 109. Small silver, doubtfully ascribed to John V. and John VIII., the latter of whom died A. D. 1448, five years before the final triumph of the Turks. 113. A leaden seal, of the Byzantine Empire.

## GREEK COINS.

THE second general division of antique coins is the *Greek*. The invention of coinage belongs to the Greeks; and by them it was carried to as great perfection as was attained in ancient times. The date of the invention, as well as the exact locality, is uncertain; but it is most probable that coined money was not known earlier than seven centuries before the Christian era.

The coins of this division comprise not only those of Greece and her colonies, but of those countries which were overrun by the Macedonian conqueror, and over whom Greek generals established themselves and their successors. Hence they include Greece proper, Sicily, Southern Italy, and more western points in Europe, and Asia Minor, Syria, Egypt, Persia, and Bactria, during all that time in which the Grecian name was most illustrious in the world, and the Roman was preparing to supplant it.

They are easily subdivided into the **REPUBLICS** and **MONARCHIES**.

Of the first sort, there seem to have been not less than *one thousand* cities, colonies, and petty states, who coined their own money, and left an endless, perhaps useless, study for modern antiquarians. Many of them are interesting, but we consider them sufficiently represented in our moderate collection.

In the second class, it has been found necessary to include a few which are not inscribed with Greek characters, nor are in any sense Grecian; such as the daric, the shekel, the fire-worship series of Persia, the barbarian coins of Bactria: they were not sufficient, nor sufficiently congruous, to form a third general division.

## GREEK REPUBLICS.

1. ABYDOS. Silv. 2. ACHAIA. Silv. 3. ÆGEA. Silv.

4, 5, 6. ÆGINA. Silv. Three sizes; the largest weighs 170 grs., and is worn; the smallest 13 grs. Ægina had a different standard from most other parts of Greece. The device of a *tortoise* is emblematic of the island, lying securely in the water. The large and small pieces, having no reverse except the marks of the stake on which they were laid in coining, are believed to date near the origin of the art, and may be twenty-five hundred years old. The middle piece seems of a later era. 7. ÆZANIS. Br. 8. AGRIGENTUM. Silv. 9. Do. Br.

10. ALEXANDRIA, of the Troad. Br. 12. AMASIA. Br.

14. AMISUS. Silv. 15. AMPHIPOLIS. Silv. This specimen weighs but seven grains; value less than two cents. A small morsel, to be handed down so many centuries. 16 to 19. APOLLONIA. Silv.

20. ARADUS. Silv. 25. ARGOS, Acarnania. Silv. 26. Do. Peloponnesus. Silv. 28. ATHENS. Silver, tetradrachm; weighs 266 grs.; value about 68 cents. Obverse, a head of Minerva, of very

ancient style ; reverse, a large owl, with the letters A Θ E, initials of Athens. The devices are in the boldest relief, and the general style of the coin, coupled with historical facts, indicates an age of twenty-one to twenty-three centuries.

The proverbial saying of the Greeks, "taking owls to Athens," was of the same import as the modern one of "carrying coals to Newcastle" (or, as we should say, to Pottsville).

29. Electrottype copy of the reverse of No. 28. 30, 31. ATHENS. Br. 33. BEREÄ. Br. 34. BLAUNDOS. Br. 35. BÆOTIA. Silv. 36. BRUTTI. Br. 37. CAMPANIA, Syria. Br. 38. CATANA. *cb.* Silv. 39. CHALCIS, of Eubœa. Silv. 40. Do., of Macedonia. Br. 42. CHERSONESUS TAURICA. Silv. 43. CLAZOMENE. Br. 44. CNOSUS, of Crete. Br. The reverse shows a ground-plan of the famous *labyrinth*. 46. CORCYRA magna. Silv. 49-54. CORCYRA nigra. Br. 57-61. CORINTH. Silv. No. 57, tetradrachm, is of beautiful workmanship. Obverse, head of Minerva ; reverse, Pegasus, or the winged horse. 62. CORINTH. Br. 63. COTIACUM. Br. 64. CYRENE. Br. 65. CYZICUS. Br. 66, 67, 68. DYRRACHIUM. Silv. 69. Do. Br. 70. EPHEBUS, Ionia. Silv. 71. EPIRUS. Silv. 73. EUBŒA. Silv. 74. GELAS, Silv. 75. Do. Br. 76. HERACLEA, of Lucania. Silv. 78. Do., of Macedonia. Silv. 80. HISTRŒA. Silv. 81. ILISTŒA. Silv. 82. ISTRUS. Silv. 83. LARISSA. Silv. 84. LAMPSACUS. Br. 85. LESBOS. Silv. 86. LETE. Silv. 87. LOCRI. Silv. 88. LOCRI. Br. 89. LEUCADIA. Br. 91, 92, MACEDONIA. Silv. 93. MAMERTINI. Br. 94. MARONEA. Silv. 95. Do. Br. 97, 98, 99. MASSILIA. Silv. These are interesting, as belonging to a colony of Greeks who, to escape the oppressions of a Persian governor, emigrated to the coast of Gaul (about six hundred years before Christ), and settled upon the spot now known as *Marseilles*. The finished workmanship attests their civilization ; in which respect they are said to have exerted great influence upon the surrounding Gauls. 100. MILETUS. Br. 101. MYCONUS. Br. 102. MYSIA. Br. 103, 104. NEAPOLIS, of Campania (Naples). Silv. 105, 106, 107. Do. Br. 108. NEAPOLIS, Macedonia. Silv. 110. NEMAUSUS, Greek colony in France ; now *Nîmes*. Obverse, bears the heads of Augustus and Agrippa, in whose day this was struck. 111. OENIADÆ. Br. 113. PÆSTUM. Br. 115. PANORMUS. Br. 116. PARIUM. Silv. 117. PELLE. Br. 118. PERGAMUS. Silv. 119. PHARSALIA. Silv. 120. PHARUS. Br. 121. PHOCIDIS. Silv. 122. PHŒNIA. Br. 123. PYTOPOLIS. Silv. 124. RHEGIUM. Silv. 126, 127. RHODES. Silv. 128. RHODES. Br. 129. SARDIS. Br. 130. SICYON, island. Silv. 131. Do., Achaia. Silv. 133. SIDE. Silv. 134, 135. SIPHNUS. Silv. 136. Do. Br. 138. SMYRNA. Br. 139. SYRACUSE. Silv. 140. Do. Br. 141. TARENTUM. Silv. 142, 143. TAUROMENIUM. Br. 146. TEANUM. Br. 147. TENEDOS, of the Troad. Br. 148. THASUS. Silv. 149. THESSALY. Silv. 150. THESSALONICA. Silv. 153, 154. THRACE. Silv. 157, 158. VELIA. Silv.

## GREEK MONARCHIES.

## MACEDON.

**THIS** kingdom was founded about eight hundred years before Christ ; four hundred and fifty years later, it was enlarged by the conquests of Philip, and became still more conspicuous from the military career of his son, Alexander the Great. But the kingdom began to decline at his death, and at length, B.C. 148, became a province of the Roman Empire.

9. Small silver coin, of one of the early kings, uncertain which, but evidently earlier than Alexander I., who flourished about B.C. 500. It bears the Macedonian horse on the obverse, and there is no reverse except the punch-marks. 10, 11. Bronze coins of AMYNTAS II. B.C. 398 - 371.

12. Gold stater of PHILIP II. B.C. 371 - 336. 13. Silver tetradrachm, of the same. 14. Hemidrachm, of the same. 15. Bronze coin, of the same.

17. Gold stater of ALEXANDER III. (THE GREAT.) B.C. 336 - 323. Obverse, head of Minerva ; reverse, a female figure, with wings, representing Victory, and bearing a trident. 18, 19. Tetradrachms of the same. The head represents Hercules, clothed with the lion's skin ; but it is believed that a likeness of Alexander is also intended. Reverse, figure of Jupiter seated, holding an eagle. Legend, ΑΛΕΞΑΝΔΡΟΥ. "(Money) of Alexander."

Alexander was so jealous of his personal appearance, as to allow the imitation of it, in painting, sculpture, or engraving by only three of his best artists ; all mediocre hands were strictly forbidden to attempt it.

The lion's skin is said to have been displayed, as showing the descent of the Macedonian royal line, by Caranus, from Hercules. It is curiously alluded to by the Emperor Constantine VI., Porphyrogenitus, writing in the tenth Christian century. "The kings of Macedonia, instead of the crown, the diadem, and the purple, bear [upon their effigy] the skin of a lion's head. More honorable to them is this than to be decked with pearls and precious stones."

20, 21, 22. Drachms, of the same. (No. 22 has a ring, and appears to have been worn as a pendent ornament ; but how long ago is uncertain. Its being a fashion among the Oriental ladies of the present day is some proof that it was also the custom a thousand years ago, as the fashions there are said to undergo but little change.) 23. Drachm, of PHILIP III., brother of Alexander. B.C. 323 - 316.

25, 26. Bronze coins, of CASSANDER. B.C. 316 - 299. 27. Bronze, of PHILIP IV. B.C. 298. 28. Silver, of ALEXANDER IV. B.C. 298 - 294. 29, 30. Bronze, of the same.

31 - 36. Bronze, of ANTIGONUS I. B.C. 279 - 243.

37. Tetradrachm, of PHILIP V. Died B.C. 179.

This piece is so remarkably brittle, that a slight fall broke it ; yet, upon assay of a fragment, it was found to be 97 per cent. fine.

38. Bronze coin, of PERSEUS. B.C. 179 - 168. He was taken by the Romans, and was the last king of Macedon.

39. Small bronze ; uncertain whose.

## PERSIA.

THE ancient coins of the Persian Empire are divisible into three classes. 1. The earliest is that of the dynasty of Cyrus, which began B. C. 560, and ended with Darius III., B. C. 331, by the conquests of Alexander of Macedon. The first coinage is attributed to Darius I., who ascended the throne B. C. 521; from whose name the coins, whether of gold or silver, are usually called *darics*; but they cannot now be assigned to any particular monarch. 2. The second series commences with the Greek domination. In the partition of the vast conquests of Alexander, Syria, Persia, and Bactria constituted one empire, under Seleucus, a Greek general. But at the end of half a century, Persia was erected into a separate monarchy by Arsaces, founder of the dynasty of Arsacidæ, which lasted from B. C. 256 to A. D. 223. The coins of this class bear inscriptions in Greek. 3. The rule of the Greeks was overthrown by Ardeshir, or Artaxerxes, a Persian, A. D. 223 – 226, the first of a new line of monarchs (called *Sassanides*, from Sassan, the father of Ardeshir), who maintained the throne until A. D. 637, when Persia became a part of the empire of the Caliphs. The coins of this third division are in the ancient Persian or Pehlevi character and language, which, along with the worship of fire, were diligently restored by this native dynasty.

41. Silver daric. Obverse, the figure of an archer; reverse, the marks of the stake on which the piece lay in coining. The weight is  $83\frac{1}{2}$  grs.; the fineness (by sp. gr. of two specimens) varies from 60 to 80 per cent. There is no legend. The style of the coin indicates a high antiquity.

43. Silver drachm, of Mithridates I., of the Arsacian line; B. C. 156 – 134. The reverses of the Greek series are very similar, and generally to this effect: "The great and illustrious Arsaces, king of kings, and friend of the Greeks." (*Arsaces* was the official name of every monarch of that line.)

44. Drachm of PHRAATES II. B. C. 134 – 129. 45, 46, 47. Drachms, of PHRAATES III. B. C. 70 – 61.

52. Potin (large size), of PHRAATES IV. B. C. 30 – A. D. 13.

54. Drachm, of GOTZARES, A. D. 45 – 48.

The foregoing are in a fair style of work, though inferior to the coins of the other Greek dynasties, especially of Syria and Egypt. The later specimens of the Arsacian line (of which we have a few, for temporary examination only) are very barbarous, indicating more attention to arms than to arts. Such is a specimen of Vologeses III., *alias* Arsaces XXVIII., about A. D. 190.

57 – 67. Silver coins of the Sassanian kings. A. D. 223 – 637.

The legends, although they have engaged the attention of the best numismatists, and that for a long period, cannot be satisfactorily made out; only the name of *Shahpur* (Sapor) can sometimes be discerned. The reverse bears an altar, on which a fire is burning, attended by two magi, or priests. The earliest specimens are of good workmanship, in a bold style; but the devices of later times present little else than a confused jumble of lines. The silver appears to be of good quality; the coins are remarkably *thin*, as compared with the Greek.

## EGYPT.

THIS ancient realm had no coined money anterior to the Greek kings, a dynasty which resulted from the conquest by Alexander of Macedon, and began at his death. From the accession of Ptolemy I. to the death of the last Cleopatra (B. C. 323 to B. C. 30) is a period of two hundred and ninety-three years, interesting to the numismatist as well as to the historian.

73. Silver tetradrachm of PTOLEMY II., PHILADELPHUS. B. C. 284 – 246. 74–78. Bronze coins of the Ptolemies, uncertain which. No. 74 is an enormous coin, weighing over three ounces. 79. Bronze, of CLEOPATRA, mother of Ptolemy VIII. 80. Bronze, of PTOLEMY VIII. B. C. 116–106. 81. Bronze, of CLEOPATRA, wife of Mark Antony; killed herself, B. C. 30. Egypt then became a province of the Roman Empire.

## SYRIA.

SELEUCUS, surnamed Nicator (conqueror), was the founder of the Grecian dynasty, called after his name the *Seleucidae*, which ruled in Syria, B. C. 312 to B. C. 65. (See under *Persia*.) The coins of this series are for the most part in the best style of Greek workmanship; the legends are simple and easily read.

89. Silver tetradrachm, of ANTIOCHUS SOTER, son of Seleucus; B. C. 280 – 261. 90. Do., of ANTIOCHUS the Great, B. C. 223 – 187. 91. Do., of SELEUCUS, son of the preceding. B. C. 187 – 175. 92. Do., of ANTIOCHUS EPIPHANES, also a son of Antiochus the Great, and famous for his wars with the Jews. B. C. 175 – 164. 93. Bronze coin of the same. The face bearded. 94. Tetradrachm, of DEMETRIUS SOTER. B. C. 162 – 150. 95. Drachm, of ALEXANDER BALAS. B. C. 150 – 146.

96. Tetradrachm of DEMETRIUS II., Nicator. B. C. 146 – 144.

97. Drachm of ANTIOCHUS DIONYSIUS. B. C. 143. 98. Tetradrachm of ANTIOCHUS SIDETES. B. C. 139 – 130. 99. Do., of ANTIOCHUS GRYPUS. B. C. 124 – 97. 100. Do., of PHILIP, B. C. 93 – 86; twenty-first king of this dynasty, and the last but two. — Syria was subdued by Pompey, and made a Roman province, B. C. 65.

101. Jewish shekel, of SIMON MACCABEUS, who flourished about 145 B. C. The legends are in the Samaritan character; on one side is the budding rod of Aaron, with "*Jerusalem the holy*"; on the other, a cup of incense, or pot of manna, and the legend "*Shekel of Israel*." The weight is 217 grs.; the fineness (by sp. gr.) about 95 per cent.; consequent value, fifty-five and a half cents. This specimen is one of the rarest and most remarkable in the collection. It is in fine preservation.

102. A copy of the foregoing (made here) to show the reverse side.

103. A shekel with similar devices, the legends being in the Hebrew

character. It is well known to be an invention, and is but a few centuries old. It weighs 197 grs.

This specimen was presented to the collection by the Bank of Pennsylvania. It had lain in the Branch Bank at Lancaster, sewed up in a buckskin cover, for many years; but no one knew how long, nor by whom it was deposited there. It is curious even as a fabrication. It is engraved in the old standard European books on ancient coins.

104. Copy of the preceding (made here), showing the reverse.

#### LESSER MONARCHIES OF GREECE, ASIA MINOR, ETC.

105. Gold stater, of **LYSIMACHUS**, King of Thrace. B. C. 320.  
 106. Silver tetradrachm, of the same. 107. Drachm, of the same  
 108. Brass, of **RHOMETALCES**, King of Thrace; Augustus Cæsar on the reverse. 109. Brass, of **PATREUS**, King of Pronia. 110, 111. Do., of **ALEXANDER II.**, of Epirus. 112. Do., of **ABGARUS**, King of Edessa. 113. Do., of **AGATHOCLES**, of Sicily. 114. Drachm, of **PHILISTIS**. *cb.*  
 115. Brass, of **HIERO II.** 116. Do., of **PHINTIAS**. 117. Denarius of **JUBA I.**, King of Numidia. 118. Brass, of **COTYS II.**, Bosphorus.  
 119. Brass, of **PRUSIAS I.**, King of Bithynia. 121, 122. Do., of **PRUSIAS II.**  
 124. Drachm of **ARIARATHES VII.**, King of Cappadocia. 125. Do., of **ARIOBARZANES III.**  
 126. Small brass, of **AGRIPPA II.**, of Judea. A. D. 48.

#### BACTRIA (NOW BOKHARA AND CABUL).

THIS remote Greek monarchy was founded about B. C. 250, by a secession from the great Syro-Persian Empire.

A large number of the coins of Bactria and adjacent regions were lately discovered by British officers in the service of the East India Company. The details of the manner, and the localities, in which they were found, may be seen in the recent work of Prof. Wilson, on the "Antiquities and Coins of Afghanistan"; where they are also fully and admirably illustrated.

137, 138. Large and small brass (or copper), of **EUKRATIDES**, about B. C. 180. 139. Silver, of **ANTIMACHUS**, B. C. 140. 140 – 143. Silver, of **MENANDER**, B. C. 126. 144. Brass, of the same. 145. Brass, of **AGATHOKLES**, who attempted to form a new monarchy, B. C. 135.

146. Silver, of **APOLLODOTUS**, B. C. 110. 147, 148. Brass, of the same. 149. Silver, of **HERMÆUS**, B. C. 98. 150, 151. Brass, of the same. — After this dynasty came a succession of Barbarian and Indo-Scythian princes, whose history is still more scanty and obscure.

153. Brass, of **AZES**, B. C. 50. 154, 155, 156. Brass, of **SOTER MEGAS**, "the Great Deliverer," — name unknown. B. C. —.

157 – 160. Brass, of **KADPHISES**, supposed about A. D. 100.

161 – 165. Brass, of **KANERKES**, date unknown, but supposed not later than A. D. 300. 169, 170. Silver coins of Rajpoot princes, not later than A. D. 1200. 171 – 174. Silver Hindu coins, of the Middle Ages.

## MODERN COINS.

THE subject of modern coins having been already largely discussed, in a recent work by the Assayers of this Mint, it will only be necessary here to call attention to a few of the more curious specimens.

UNITED STATES. In this series we have the interesting suite of Massachusetts silver coins, of the date of 1652; the silver coins of Cecil, Lord Baltimore, struck about ten years later; the Colonial brass coins of the Carolinas, and the copper of Virginia; the variety of copper coins struck by the States after the treaty of peace, and before the adoption of the Constitution; a very remarkable gold coin, equal in value to a doubloon, coined at New York in 1787; the Washington cent of 1791, of two varieties or reverses, (coined by one Hancock at Birmingham, in England, but at whose instance cannot be ascertained; it was, however, disapproved of), and a larger copper coin, bearing the head of Washington and the date of 1792, from a die which was also used in restamping half-crowns, the enterprise of some individual.\* Next come the trial-pieces of the infant national mint; among which, as it was patronized by the President, though not actually coined in the mint, may be counted the "half-disme," bearing the legend, "Liberty, Parent of Science and Industry." In 1794, the mint began to be in regular operation; and we have specimens (though the series is not complete) of the mintage of every year. There is a little variation in the devices of the coins as far as to 1808; but from that date to 1834 (excepting a change in the quarter-dollar, in 1833) there is an undisturbed uniformity, which, if it be desirable in a commercial view, makes but a dull exhibition. At that time, however, the standard of the gold coin was changed, and a modification of device became necessary; and after the public taste had recovered from its alarm at the removal of "E pluribus unum," it was less difficult to progress in the path of change and improvement. The year 1836 was remarkable for new patterns and projects. It was supposed that Liberty might be symbolized by other forms than the matronly bust, and that the eagle might change its perch. Hence we have the famous new dollar of that year. There was also produced, obedient to calls of committees of Congress, the gold dollar, and the two-cent billon piece, the latter being a mixture in which two cents' worth of silver was contained, or lost, in a sizable proportion of copper; but neither was approved. Further varieties, especially in the half-dollar, appear in 1837; and in 1838 there are a number of half-dollar trial-pieces, none of which were adopted. In that year the gold eagle reappears; and all the gold coin is in a new dress. The silver dollars continue very scarce until 1840, when the flying eagle is discontinued; and the entire coinage remains unaltered from that date to the present. (Some material changes are, however, in contemplation.)

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\* We have some other copper coins, of various sizes, bearing the head of Washington, but as they are evidently mere fancy-pieces, of private issue, it has not been thought worth while to give them a place among the authorized coins.



At the end of the United States series are placed specimens of the private gold coinage of Bechtler, of North Carolina, and Reid, of Georgia; the former is still carried on. There are also the silver coins of Chalmers, of Annapolis, 1783, and a guinea restruck with the die "Immune Columbia," and bearing the same date.

**GREAT BRITAIN.** The coins of this country are generally considered as the next in interest to our own, by American collectors. Our series is far from being complete, though it contains a number of interesting and rare pieces. The most remarkable in gold are the noble of Henry VI.; ryal of Elizabeth; (this fine, broad piece, in perfect preservation, was selected from a deposit for recoinage, and of course cost only its bullion value;) five-guinea piece of Charles II., value \$ 25.35; and five-pound piece of George IV., 1826, of exquisite workmanship. Of silver coins, we have a few Saxon and early Norman pennies (those of William the Conqueror being of the number dug up at Beaworth, Hampshire, in 1833; they are of various mints, and in the best preservation); also a tolerable succession of silver coins down to Anne, from whose time both gold and silver are sufficiently complete. We have but few copper coins, except from George III. downward. The curious series of copper tokens issued about the close of the last century, and of silver ones current during the suspension of specie payments, dating 1804 - 1815, are tolerably complete.

**FRANCE.** Of French coins we have one, of the Merovingian line, very rare; the only one older than the base silver of Charles VIII., 1483 - 1498; the series is pretty full from about 1700.

**GERMANY.** The gold ducat of the Emperor Frederick IV., 1452 - 1493, is our oldest coin; there are a good many of the seventeenth century, and a good collection of those since 1700. As every petty state and free city coins its own money, their number being also greater in former times than at present, the collection and discrimination of German specimens is, or may be made, an interminable business.

About fifty gold coins, generally ducats and halves, in perfect order, came in one parcel for recoinage, and were rescued from the furnace. They are old and curious; some of them being marriage and baptismal tokens, with piquant verses in German; as, for instance, one on which the ceremony of baptism is portrayed, and under it the legend, *Dis Wasser bad, Gibt heil und gnad*: "This water-bath gives holiness and grace." One of the pieces, from its symbols, appears to be a medal of the secret order of Rosicrucians. (These coins are in the large case.)

**PORTUGAL.** Here is the five-moidore piece of 1725, worth \$ 32.70; the largest of gold coins. There is a good series of *Joannese*, or "half-joes," formerly well known in our currency; the silver and copper are also well represented. The same is true of the kindred series of Brazil, in the same case.

**SPAIN.** All those coins which were struck in America, though bearing royal insignia, are to be found in the case labelled "Spanish-American." There is a good modern series of Spanish proper. Two dollars, siege-pieces of 1808 - 1809, are remarkable.

**RUSSIA.** The gold half-rouble, worth only 37 cents, the platina coins, and the immense copper pieces, here attract most notice.

**TUSCANY, ETC.** The silver coins of the Medici family, from 1575 downward, were obtained as bullion, and are in fine keeping. — A scudo of Paul V., 1620, is our oldest Papal coin. — We have, among the Neapolitan, the coins of Joseph Napoleon and Joachim Murat, which, though recent, are scarce.

The **SPANISH AMERICAN** suite is very full, and well preserved. Here are all the varieties of the famous gold *doubloon* and silver *dollar*. (The quarter cob-doubloon, No. 5, an old piece, was lately picked up by a schoolboy, on a heap of rubbish, near Fairmount; and, from its appearance at the time, was taken for a bit of iron. It may have lain there half a century.)

The **OTTOMAN** collection represents nearly every reign, from that of Murad I., who died in 1389.

Of the **ASIATIC** coins, attention will be given to the gold toman of Bokhara, a very inaccessible sort of coin; the bullet-shaped *tical* of Siam; and the various and singular fashions of Japanese coins. The gold *cobang*, for instance, though it measures two and a half inches by one and a half, is worth only \$6.50 intrinsically; it is very thin. The silver coin is interesting from its adventures. A party of Japanese were picked up by our Exploring Expedition, far out on the Pacific Ocean, where they drifted in an open boat, and were almost starved. Their gratitude prompted them to make presents of some silver coins which they had with them. Of these specimens, every one was subsequently lost in the destruction of the Peacock, except this piece, which happened to be in the pocket of an officer on board another vessel.

The last specimen which we shall notice is that of a cluster of dollars, mixed with marine shells and deposits, and cemented upon a cannon-ball. This phenomenon is from the bottom of the ocean, and its history (copied from the Bulletin of the American Philosophical Society for 1845) is as follows:—

“Early in 1815 a naval armament was fitted out in Spain, by Ferdinand VII., for the purpose of reducing the rebellious colonies in South America. The military force of this expedition amounted to ten thousand men, of whom two thousand were on board the flag-ship San Pedro. This vessel was also freighted, to a large amount, with gunpowder, cannon-balls, and specie. The fleet touched at the island of Marguerita, near the coast of Venezuela, where, with a variety of other plunder, the San Pedro took on board eight casks of spirits. Having left the island, and making for the mainland, which was within six hours’ sail, the vessel was discovered to be on fire. The flame, however, was in a fair way of being extinguished, when the steward incautiously opened one of the vessels containing ardent spirits to refresh the hands. The fire, by some accident, came in contact with the rum, and instantly the flame spread so far as to become unmanageable. The ship burnt four hours, until the powder-magazine was reached by the fire, when an explosion took place, and the wreck went down, involving in its destruction the lives of four hundred men.

“The right of working the wreck having not long since been granted by the government of Venezuela to a company of gentlemen in Baltimore, designated as the ‘San Pedro Company,’ measures were taken to recover the specie and other valuables known to have been on board, and a vessel, with diving-bell and workmen, was sent out in February last. The wreck was found sunk in sixty feet water, and four or five miles from the mainland. It was also found that the vessel had rested on a hard bed of coral; on this (subsequently to the catastrophe) a layer of thick mud was deposited; and over this was grown another stratum of coral, which has to be pierced to arrive at the remains of the ship.

“The diving-bell (which is five feet in diameter and five feet high) is sent down three or four times a

day, with two laborers, who remain down about two hours at a time. During the past season they have brought up a quantity of copper, in various shapes, besides cannon-balls, &c.; and Spanish dollars, the recoining of which at the mint has produced about \$18,500 [now over \$80,000]. The silver has been much corroded by the action of *sulphur*, which is supposed to have occurred from the usual precaution of placing the specie in the powder-magazine. This has occasioned a diminution in value of 7 or 8 per cent., that is, the dollars average 92 or 93 cents each; but the variation of loss is very great, as some are found worth 98 cents, and one, with the stamps still visible, was reduced to 34 cents in value. They are all too much spoiled for currency, though in most cases the impressions are very distinct."

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## ADDITIONS.

THE following are among the most remarkable specimens added to the collection since the former publication.

1. Silver tetradrachm of Cyrenaica, Greek colony on the northeastern border of Africa; 208 grains; in very fine preservation, and of beautiful workmanship. On the obverse, head of *Jupiter Ammon*. Reverse, the *sylphion*, an umbelliferous plant of the country, the juice of which was an article of commerce, and was used by the ancients both as a condiment and a medicine. It is of the same family as the *asafoetida* plant. (This piece was procured of D. S. Macauley, Esq., late United States Consul at Tripoli, who procured it directly from the Arab who found it. The nearest modern port or town to the place where the coin was found is Bengazy, a town of Tripoli.)

2. Silver coin of the Caliph *Haroun Alraschid*, renowned in Arabian history and romance. This well-preserved specimen was lately presented to the mint collection by John P. Brown, Esq., Dragoman to the United States embassy at Constantinople. It bears no effigy of the Caliph, nor picture of any kind, owing to a rigid construction by the Mussulmans of the second Mosaic commandment, by which they abstain from "making the likeness of any thing," for any purpose. Instead of such emblems the coin is covered on both sides with Arabic inscriptions, chiefly texts from the Koran, with a fanciful, dashing script, peculiar to the Mahomedan coins of that day. On one side, we read in the centre, "There is no God but one God, to whom there is no Fellow." And around this, "In the name of God, this dirhem was coined in the City of Peace (Bagdad) in the year 188" that is, 803 of the Christian era.

On the reverse, the central inscription reads, "Mahomed is the messenger of God." Around this is the legend, "Mahomed is the messenger of God, whom he sent as the director of the true religion, that he might elevate it above all religions, however much the *Associators* should be displeased by it." The term *associators* was applied by Mahomed to the Christians, in respect to the doctrine of the Trinity, and probably, also, to the divine honors paid to the Virgin Mary, in the Greek Catholic Church, to which he was neighbor.

The occasion of this peculiar feature of Arabian coinage (*Cufic* coinage as it is called by numismatists) is detailed by Arabian writers, and is gathered from Marsden, in his *Numismata Orientalia*.

Until the year of the Hegira 76, or A. D. 695, the Mahomedan empire had no coinage of its own, relying upon what was already current in the country, especially of the Greek-Roman issue, from Constantinople. But the Caliph Abdalmalek having adhered to the practice of commencing his epistles to the Roman Emperor with the formulary, "There is but one God, and Mahomed is his prophet," the latter took offence at what appeared to him an insult, or at least a disparagement of the faith he professed, and threatened to retaliate by introducing inscriptions upon the coinage which would not be agreeable to the professors of Islamism. The effect of this unwise controversy was such as might have been expected. The Caliph took measures for establishing an orthodox mint of his own, and commenced a coinage in A. D. 695, the year in which the Emperor, Justinian the Second, was, for his cruelties, dethroned by his own people, with the additional indignity of having his nose and ears cut off.

It should be added, that the *denomination* of this coin (dirhem) is a change of the ancient Greek word, drachm. The average value of the Arabic dirhem was about twelve cents. The silver appears to be of a high grade of fineness.

The coin is as yet scarcely known in this country, and is very scarce even in Europe, especially in such fine preservation. Yet it is remarkable that two of such pieces have been dug up of late years in different places in *England*, where they were probably carried by returning Crusaders.

3. Silver dirhem of the Caliph *Al-Mamoun*. A. H. 203, or A. D. 818. Mahomedan legends, as on the preceding. (Also from Mr. Brown.) Well preserved.

4. Silver dirhem of *Abdallah*, Caliph of *Spain*, about A. D. 900. Mahomedan legends. In fine preservation. Struck at Cordova. (Bought at the sale of Dr. Roper's collection.)

5. Rupee of *Shah Jehan*, Mogul Emperor of Hindustan. Mahomedan symbols. This piece, in connection with the preceding, will afford an illustration of the wide diffusion of the Mahomedan faith. Date, about A. D. 1630.

6. Fifteen silver coins of France, of the Middle Ages; commencing with Charlemagne. Well preserved.

7. Penny of Ethelbert, King of Kent, and elder brother of Alfred the Great; died A. D. 866. (One of the pieces found in Sussex, in 1804.) In perfect preservation.

8. Rupees of Cashmere and Cabool.

9. Double-pistareen, of Philip V., Spain.

10. Hungarian coins, gold and silver, with Magyar legends, struck during the late revolution. (From the exiles.)

11. Coins of the recent republic of Venice.

12. Gold coin of Sebastian of Portugal, A. D. 1557.

13. Complete set of California gold pieces; twenty-nine varieties.

## NOTES ON COINS.

**DUCAT.** A foreign coin, either of gold or silver, struck in the dominions of a duke. The origin of ducats is referred to one Longinus, governor of Italy, who, revolting against the Emperor Justin the Younger, made himself Duke of Ravenna, and called himself *Exarcha*, that is, without lord or ruler; and, in order to show his independence, struck pieces of money of very pure gold, in his own name, and with his own stamp, which, as Procopius relates, was called *ducati*, ducats. After him the first who struck ducats were the Venetians, who called them *zecchini*, or sequins, from *Zecca*, the place where they were first struck. This was about the year 1280, and in the time of John Dandolo. But we have pretty good evidence that Roger, King of Sicily, had coined ducats as early as 1240; and Du Cange scruples not to affirm, that the first ducats were struck in the duchy of Apulia, in Calabria.

**PENNY.** In commerce, an ancient English coin, which had formerly considerable currency, but is now generally dwindled into an imaginary money, or money of account. Camden derives the word from the Latin, *pecunia*, money. The ancient English penny, penig or pening, was the first silver coin struck in England, nay, the only one current amongst our Saxon ancestors, as is agreed by Camden, Spelman, Hickes, and others. The penny was equal in weight to our threepence, five of them made one shilling or scilling Saxon, and thirty a mark or mancuse, equal to 7s. 6d. Till the time of King Edward the First, the penny was struck with a cross, so deeply indented into it that it might be easily broken, and parted, on occasion, into two parts, which were thence called *half-pennies*, or into *four*, which were called *fourthings*, or *farthings*. But that prince coined it without indenture, instead of which he first struck round halfpence and farthings. He also reduced the weight of a penny to a standard, ordering that it should weigh thirty-two grains of wheat, taken out of the middle of the ear. This penny was called the penny *sterling*; and, as twenty of these pence were to weigh an ounce, the penny thus became a weight as well as a coin. The penny sterling was long disused as a coin, and was scarcely known, except as a money of account, containing the twelfth part of a shilling; but latterly it has been introduced into the British current coin. — *Encyclopædia Britannica*.

**DOLLAR.** This word came to us with the Spanish dollar, yet the Spaniards have no such term, nor any thing approaching it, their word being *peso*, for the piece of 8 reals. It was formerly called in English the "piece of eight," and hence the mark \$, that is, *eights*. The word *dollar* is of German origin, being changed from *thaler*, which differs little from it in the pronunciation. The first coinage of that name issued in 1518 from the mining region of *Joachims-thal* (Valley of Joachim), in Bohemia, whence pieces were called *thal-er*. The name was soon taken up in other countries, and is now common throughout Europe and America. The Spanish peso of Philip the Second (1556–1598) was called *talerus regieux*, by a courtesy of the Germans, as being the best kind of thaler then in circulation.

**ABASSI, OR ABASSIS.** A silver coin current in Persia, equivalent in value to a French livre, or tenpence half-penny sterling. It took its name from Schah Abbas II., King of Persia, under whom it was struck.

— *Ency. Brit.*

**ASSARIUM**, in *Antiquity*, denotes a small copper coin, being a part or diminutive of the *as*. The word *ἀσσάριον* is used by Suidas indifferently with *ὀβολός* and *νόμισμα*, to denote a small piece of money; in which he is followed by Cujacius, who defines *ἀσσάριον* by *minimus æris nummus*. We find mention of the assarium in the Gospel of St. Matthew, ch. x. ver. 29.

**EAGLE.** A name frequently found in the ancient histories of Ireland, and used to express a sort of base money which was current in that kingdom in the early part of the reign of Edward the First, that is, about the year 1272. There were besides the eagles, lionines, rosades, and many other coins of the same sort, named according to the figures they were impressed with.

The current coin of the kingdom at that time was a composition of copper and silver, in determinate proportions; but these were so much inferior to the standard proportions at that time, that they were not intrinsically worth half so much as the others. They were imported from France and other foreign countries. When Edward had been a few years established on the throne, he set up mints in Ireland for coining good money, and then decried the use of eagles and other kinds of base coin, making it death, with confiscation of effects, to import any more of them into the kingdom.

**FARTHING.** A small English copper coin, amounting to one fourth of a penny. It was anciently called *fourthing*, being the fourth of the integer, or penny.

**FARTHING OF GOLD.** A coin used in ancient times containing in value the fourth part of a noble, or 20*d.* in silver. It is mentioned in the statute 9 Henry V. cap. 7, where it is enacted that there shall be good and just weight of the noble, half-noble, and farthing of gold.

**GROAT.** An English money of account equal to fourpence. Other nations—as the Dutch, Poles, Saxons, Bohemians, and French—have likewise their groats, groots, groschen, gros, and the like. In the Saxon times, no silver coin larger than a penny was struck in England, nor after the Conquest, till the reign of Edward the Third, who, about the year 1351, coined *grosses*, or great pieces, which went for fourpence each; and so the matter stood till the reign of Henry the Eighth, who, in 1504, first coined shillings.

**GUINEA.** A gold coin, struck and current in Great Britain. The value or rate of guineas has varied. It was first struck on the footing of twenty shillings; from the scarcity of gold it afterwards advanced to twenty-one shillings and sixpence, but it subsequently sunk to twenty-one shillings. The pound-weight troy of gold is cut into forty-four parts and a half, and each part makes a guinea. This coin took its denomination of *guinea*, because the gold of which the first was struck had been brought from that part of Africa called Guinea; and for the same reason it afterwards bore the impression of an elephant.

A DIGEST  
OF THE  
DECISIONS OF THE SUPREME COURT OF MAINE,  
RELATING TO BANKING, ETC.

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I. *Banks and Banking.*

II. *Bills of Exchange and Promissory Notes.* 1. *General Requisites.* 2. *Validity.* 3. *Consideration.* 4. *Construction.* 5. *Days of Grace.* 6. *When a Discharge of the original Cause of Action.* 7. *Notes payable in Specific Articles.* 8. *Negotiability and Transfer.* 9. *Acceptances.* 10. *Presentment, Demand, and Notice,—Necessity of,—By whom to be made or given, when and where,—Sufficiency of,—Waiver of.* 11. *Protest.* 12. *Rights and Liabilities of the different Parties,—In general,—Of Indorsers and Guarantors.* 13. *Actions on Bills and Notes,—When and by whom maintainable,—When subject to Equities between other Parties,—Defences.* 14. *Pleadings and Evidence.* 15. *Damages.*

III. *Interest.*

IV. *Usury,—In general,—Evidence,—Remedy.*

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I.—BANKS AND BANKING.

1. A subsequent statute can revive the expired charter of a banking company in all its original force, and if so intended does not create a new one. *Lincoln and Kennebec Bank v. Richardson*, 1 Greenleaf, 79.

2. The corporate property alone is liable to be seized in case of incorporated banking companies, &c. *Adams v. Wiscasset Bank*, 1 Greenleaf, 361.

3. Within the Revised Statutes of 1821, ch. 92, a deputy may serve a writ, in an action against a banking company, although another deputy of the same sheriff is a stockholder. *Ibid.*

4. The statute of 1838, ch. 326, sec. 3, is prospective in its operation, being applicable only to bills, the payment of which may be subsequently demanded. *Bryant v. Damariscotta Bank*, 18 Maine, 240.

5. The cashier is the regularly authorized agent of the bank, and whatever he does in his official capacity is the bank's act. *Burnham v. Webster*, 19 Maine, 232; *Warren v. Gilman*, 17 *Ibid.* 360; *Farrar v. Gilman*, 19 *Ibid.* 440; *Badger v. Bank of Cumberland*, 26 *Ibid.* 428.

6. When a note is left for collection, the bank is to be considered for the purposes of receiving and transmitting notices the real holder, though possessing no interest in it. *Burnham v. Webster*, 19 Maine, 232.

7. If the treasurer of the State by mistake takes from a bank less

than the amount of the tax, giving a receipt "in full for the semiannual tax on the capital stock of said bank which became due" on a certain day, the State is not barred from recovering the just amount. *State v. Waldo Bank*, 20 Maine, 470.

8. The tax attaching to the bank at the commencement of the year, if the charter is surrendered and accepted by the legislature before the close of the year, its corporate powers being retained for the sole purpose of closing its concerns, the tax must be paid though a partial dividend may have been declared. *Ibid.*

9. Legally incorporated banks may receive real estate as security for a loan, or in payment of debts due. *Thomaston Bank v. Stimpson*, 21 Maine, 195.

10. If land be conveyed to a bank as collateral security, and the title become absolute in the bank by the neglect of the grantor to make the stipulated payment, its subsequent conveyance of the land, at the request of the grantor, to a third person, is not such a redemption of the property as to restore the title to the original owner. *Ibid.*

11. Where a note is discounted at a bank for the benefit of the first indorser, and the money is passed to his credit as a deposit, a portion of it remaining in the bank until the note becomes payable, it seems to be optional with the bank to retain this money in part payment of the note or not. The omission to retain it cannot destroy the right to recover of another indorser the full amount. *Ticonic Bank v. Johnson*, 21 Maine, 426.

12. Where the cashier of a bank has made an entry on the bank books, that a certain note had been discounted at a certain time, it is competent for him to testify that the entry was in fact but conditional, being made without authority, and that the note was not then discounted. *Ibid.*

13. In an action brought by a banking corporation in the corporate name, a stockholder cannot be compelled to testify against the bank. *Shepley, J.*, dissenting. *Bank of Oldtown v. Houlton*, 21 Maine, 501.

14. Such stockholder's interest may be proved by his statements on the *voire dire*, without producing any other evidence thereof. *Ibid.*

15. The statute of 1836, ch. 233, does not render stockholders in a bank, who were proprietors of their stock before the passage of that act, personally liable for the debts of the bank. *Wheeler v. Frontier Bank*, 23 Maine, 306.

16. The mere serving of a copy of the writ, in a suit then pending, upon the receivers of the effects of an insolvent bank, is not a compliance with the provisions of the act of April 16, 1841, that creditors must bring in and prove their claims to obtain their share. *Reed v. Frankfort Bank*, 23 Maine, 318.

17. No action can be maintained against the sureties on an official bond of the cashier of a bank, where the breaches assigned are all for unfaithfulness in office, after a reappointment, and after the giving and acceptance of a new bond. *Frankfort Bank v. Johnson*, 23 Maine, 322.

18. The statute of 1831, ch. 519, sec. 28, gives a remedy only to creditors of a bank, as holders of its bills, for losses arising from the official mismanagement of the directors. *Rich v. Shaw*, 23 Maine, 343.



19. If a bank claims the benefit of a contract made in its behalf by the cashier without authority, this is a ratification. *Medomak Bank v. Curtis*, 24 Maine, 36.

20. A person becomes legally entitled to shares in a bank by their being transferred to him on the books of the bank. The certificate of ownership is only additional evidence of title. *Agricultural Bank v. Burr*, 24 Maine, 256; *Same v. Wilson*, *Ibid.* 273.

21. The legal title to shares in a bank, evidenced by the records of the corporation, will not be affected by the owner's permitting the bank to treat them as its own property. *Agricult. Bank v. Burr*, 24 Me. 256.

22. That a bank has paid in fifty per cent. of its capital stock in gold or silver, within six months after receiving its charter, is to be ascertained and proved according to the statute by the certificate of commissioners appointed for that purpose. *Ibid.*

23. After the bank has been in operation for several years, it is presumed that the remaining fifty per cent. of its capital stock has been paid within twelve months after the reception of its charter. *Ibid.*

24. The corporation of a bank may legally act under a charter on the first day of its taking effect, and upon that presumption a transfer of shares made on the first day of the same month of the next year would be legal. *Ibid.*

25. Individuals making their notes payable at a bank cannot be properly considered as agents thereof. *Ibid.*

26. The rights of individuals under a written agreement, not signed by all the parties, with regard to the transfer of bank shares, must depend upon the application of the principles of law to the facts proved, not upon their consideration of them, nor upon the fact of the parties considering the agreement closed, and of one of them claiming the benefit thereof. *Ibid.*

27. If a note be made to a bank, without consideration, for the purpose of enabling the corporation, by including it as part of its funds, to make a colorable and false statement of its actual condition, though it might be a just cause for a revocation of the charter, and perhaps of indictment of the persons concerned for a conspiracy to defraud, yet the bank cannot maintain an action on such note. *Agricultural Bank v. Robinson*, 24 Maine, 274.

28. The directors of the Washington County Bank, appointed under the act of 1841, accepting the surrender of the charter, had power to enter into a reference of all demands between the bank and a person claiming to be a creditor thereof. *Emerson v. Washington Co. Bank*, 24 Me. 445.

29. The provision in that act, that the assets of the bank should be distributed among all the creditors *pro rata*, did not prevent a creditor from bringing a suit to ascertain the amount due upon a disputed claim; but no execution should be issued on the judgment recovered. *Ibid.*

30. A settlement of a cashier of a bank with the directors is not conclusive against the bank, if he was guilty of fraud in procuring it. *Frankfort Bank v. Johnson*, 24 Maine, 490.

31. The directors of a bank have authority to settle with the cashier, whose accounts exhibit a deficit in the funds; and fraud on their part does not affect such settlement, unless the cashier was also guilty. *Ibid.*

32. The acts, repealing the charter of the Frankfort Bank, and providing for the distribution of its funds by receivers, incapacitated it any longer to sue or be sued in a court of law, except to promote the objects confided to the receivers. *Whitman v. Cox*, 26 Maine, 335.

33. A stockholder of the bank sued, whose property was attached, and who had a copy of the writ left with him, being no party to such suit individually, has no right to appear and defend it; and may impeach the judgment rendered therein, when introduced against him. *Ibid.*

34. The directors of a bank, having the control of its financial affairs, may direct the assignment and transfer of a note belonging to the bank. *Stevens v. Hill*, 29 Maine, 133.

35. Where the directors of a bank, just before the expiration of its charter, transfer property to trustees for the benefit of the stockholders, all interest which the corporation had in the property terminates, the legal interest vesting in the trustees, and the beneficial interest in the stockholders. *Ibid.*

36. The assent of a bank that a note may be sued in its name for the benefit of a third person, may be inferred from the acts of its officers, and without a vote of its directors. *Lime Rock Bank v. McComber*, 29 Maine, 584.

37. The parties to a note, deposited in a bank in Boston for collection, cannot be affected by a usage of other banks which has no existence in the bank where it is lodged. *Pierce v. Whitney*, 29 Me. 188.

## II. — BILLS OF EXCHANGE AND PROMISSORY NOTES.

1. General Requisites.
2. Validity.
3. Consideration.
4. Construction.
5. Days of Grace.
6. When a Discharge of the original Cause of Action.
7. Notes payable in Specific Articles.
8. Negotiability and Transfer.
9. Acceptance.
10. Presentment, Demand, and Notice.
  1. Necessity of.
  2. By whom to be made or given, when and where.
  3. Sufficiency of.
  4. Waiver of.
11. Protest.
12. Rights and Liabilities of the different Parties.
  1. In general.
  2. Of Indorsers and Guarantors.
13. Actions on Bills and Notes.
  1. When and by whom maintainable.
  2. When subject to Equities between other Parties.
  3. Defences.

14. Pleadings and Evidence.
15. Damages.

### 1. General Requisites.

1. It is not essential to the validity of a bill of exchange that it should be payable to bearer or order, nor at any particular time and place, nor that it should have the words "value received." *Kendall v. Galvin*, 15 Maine, 131.

### 2. Validity.

1. A party who owed a lottery-ticket seller for tickets, some of which were illegal, remitted a sum more than sufficient to pay the amount. Afterwards, he purchased legal tickets which were charged on the same account, which still remained open and unsettled. On the striking a final balance of accounts, he gave the lottery-ticket seller a note for the sum due. *Held*, the note so given for the balance was legal and valid. *Greenough v. Balch*, 7 Greenleaf, 461.

2. The attestation of a note, not before witnessed, by a person who was not present at the signing, is a material alteration, and avoids the note. *Brackett v. Mountfort*, 2 Fairfield, 115.

3. The adding a date to an indorsement of a partial payment on the back of a note is not an alteration of the instrument, and in no wise affects its validity. *How v. Thompson*, *Ibid.* 152.

4. If a note be altered in a material part, without the consent of the party to be affected thereby, it is void as to such party. *Farmer v. Rand*, 14 Maine, 225; *Buck v. Appleton*, *Ibid.* 284.

5. This principle applies to an alteration, changing the liability of an indorser from a conditional to an absolute engagement. *Farmer v. Rand*, *Ibid.* 225.

6. The alteration by the holder of a bill of the date, shortening the time of payment, after it has been accepted, without the acceptor's knowledge, destroys the bill. *Hervey v. Harvey*, 15 Maine, 357.

7. A note given under a threat of lawful imprisonment on a warrant for an assault and battery, in satisfaction for the injury, as determined by arbitrators mutually chosen, is valid. *Eddy v. Herrin*, 17 Me. 338.

8. But if obtained by threats of unlawful imprisonment, it might have been avoided. *Ibid.*

9. A note, given the treasurer of a town on settlement of a bastardy bond, without the mother's consent, is invalid. *Harman v. Merrill*, 18 Maine, 150.

10. The alteration of a note from "I promise" to "We promise" is not a material alteration, and does not avoid the note. *Eddy v. Bond*, 19 Maine, 461.

11. Nor the addition of the name of an attesting witness, unless with fraudulent intent. *Ibid.*

12. When part of the consideration of a promissory note is illegal, the whole note is void. *Deering v. Chapman*, 22 Maine, 488.

13. So, if part of the consideration be spirituous liquors, sold in less

quantities than twenty-eight gallons, in violation of the statute, the whole note is void. *Ibid.*

14. And where partial payments have been made to a less amount than that charged for ardent spirits, thus sold, without license, a note given for the balance of the account will still be wholly void. *Ibid.*

15. If an indorser remove from a note a writing under the signature, put on when it was made and varying its terms, it will be presumed a material and valid part of the contract, and its removal will avoid the note, unless such writing be produced, or the holder show, clearly and satisfactorily, that such alteration was in fact immaterial. *Johnson v. Heagan*, 23 Maine, 329.

16. A note given and received on the Lord's day for articles purchased on that day is void. *Towle v. Larrabee*, 26 Maine, 464.

17. If a promissory note be given and delivered by the payee to a third person, because the donor expects to die of the disorder then upon him, it is revocable at any time during the donor's life; and may after revocation be given to any other person. *Parker v. Marston*, 27 Me. 196.

18. An alteration, though material, will not avoid a note, unless made with fraudulent intent. *Thornton v. Appleton*, 29 Maine, 298.

See *Usury*, In general, 1, 2.

### 3. Consideration.

1. A promise to pay the debt of another, in consideration that the creditor will forbear and give further time of payment of the debt, though no further time of forbearance is stipulated, is founded on sufficient consideration, the creditor averring that he did so forbear and give further time from such a day to such a day. *King v. Upton*, 4 Greenleaf, 387.

2. Several persons subscribing to a fund for the support of public worship, on condition that the trustees should manage these funds in a certain stipulated manner, supporting a Congregational clergyman from the income thereof; and paying therefrom all the parish taxes assessed on the subscribers, gave their notes for the amount of such subscriptions. Held, that the acceptance of the stipulated conditions was a sufficient consideration for the notes, and though the church subsequently changed its form of faith and worship, still the makers of the notes were held thereon. *Fryeburg Parsonage Fund v. Ripley*, 6 Greenleaf, 442.

3. R. signed a contract, as agent of the Saco Manufacturing Company, to obtain the treasurer's obligation for two shares of the company's stock, but without any authority, and, in consideration thereof, W. made a note payable to the company. Held, that this contract, by which R. was personally bound, was a sufficient consideration for the note, though no tender was ever made of the treasurer's obligation, which had been obtained by R., to deliver a certificate of two shares on payment of W.'s note. *Saco Manuf. Co. v. Whitney*, 7 Greenleaf, 256.

4. Between the original parties, the consideration of a bill or note may be inquired into. *Folsom v. Mussey*, 8 Greenleaf, 400; *Goddard v. Cutts*, 2 Fairfield, 440; *Stevens v. McIntier*, 14 Maine, 14; *Wolcott v. Strout*, 19 Maine, 132.

5. The assignment of a judgment and execution, made by the attorney of the creditor, the latter himself not interfering, is a sufficient consideration for a note given therefor to one who is the equitable owner of such judgment. *Trafton v. Rogers*, 13 Maine, 315.

6. Defendant deposited his note with a third party, to be delivered to the plaintiff when the latter should obtain and assign to the defendant a *bond* for a certain piece of land, and an agreement, not under seal, was obtained from the owner of the land, and assigned to the defendant, and the note was thereupon delivered. *Held*, that the note was upon sufficient consideration. *Stone v. Bradbury*, 14 Maine, 185.

7. Where the contractor to carry the United States mail assigned his contract, and his *assignee* assigned to the defendant, who gave such assignee his note therefor, and the Postmaster-General afterwards declared the contract forfeited by such assignments; *Held*, that the consideration of the note had failed. *Savage v. Whitaker*, 15 Maine, 24.

8. There are cases where an existing note, though voidable for want of consideration, will constitute a good consideration for a new note. *Warren Academy v. Starrett*, *Ibid.* 443.

9. A child, by a writing *not* under seal, relinquished to his father all claim to the latter's estate, and received therefor the note of a third party indorsed by the father. Such indorsement was held to be upon a sufficient consideration. *Weston v. Hight*, 18 Maine, 281.

10. The consideration of a contract between the original parties is a good consideration for the promise of a surety. *Hughes v. Littlefield*, *Ibid.* 400; *Beaman v. Whitney*, 20 Maine, 413.

11. The performing of work for an association is a good consideration for a note given therefor by a member of such association. *Chick v. Trevett*, *Ibid.* 462.

12. In an action upon a promissory note, given as the consideration of land conveyed by deed, with the usual covenants of seizin, warranty, and against encumbrances, it appeared at the trial, that at the time of the conveyance there was an attachment upon the land, and that, afterwards, judgment was rendered in the suit and execution levied upon the whole of the land conveyed; the grantor did not redeem, but suffered a title to be acquired under the levy; and it was not shown that the land was appraised at its full value, nor that the grantee had not received rents and profits. *Held*, that a total failure of consideration was not shown. *Wentworth v. Goodwin*, 21 Maine, 150.

13. A patent right, not wholly worthless, is a sufficient consideration for a note. *Clark v. Peabody*, 22 Maine, 500.

14. The words "value received" on a note are *primâ facie* evidence of sufficient consideration. *Ibid.*

15. A past benefit or favor, without any expectation of future remuneration, is not a sufficient consideration for a guaranty. *Ware v. Adams*, 24 Maine, 177.

16. To enable a banking corporation to maintain an action on a note given to it by an individual, there must be a consideration at the time of making the contract, and no injurious consequences to the parties or to others, that may afterwards result, can constitute a legal consideration. *Agricultural Bank v. Robinson*, *Ibid.* 274.

17. The transfer of the stock of a bank on its books, though no certificate of ownership is given, constitutes a valid consideration for a note given to the bank therefor. *Same v. Wilson*, Ibid. 273.

18. Where a contract was signed by an agent, on behalf of his principal, to convey certain lands on payment of a note given therefor, and such contract does not bind the principal, but the agent is personally responsible for damages sustained by its breach, there is a sufficient consideration for the note. *Dyer v. Burnham*, 25 Maine, 9.

19. If a note is given in consideration of an assignment of one half of a bond or contract by a third person to convey lands, certain payments being first made; and it be agreed that, besides the note, the maker should pay the obligor one half the purchase-money in instalments, but no payments are made by either; if no injury is sustained thereby, and all parties treat the contract as still valid and existing, the consideration cannot be considered as having failed. *Ibid.*

20. If one purchase a title from another which both know to be doubtful, such doubtful title is a good consideration for a note given for the price, though it turn out that the seller had no title. *Sawyer v. Vaughan*, Ibid. 337.

21. A note given to prevent the sale of an equity of redemption, or to induce the payee to give up an attachment on the land, has a sufficient consideration. *Bradbury v. Blake*, Ibid. 397.

22. If the holder of a note, then due and payable, take a new note for a less sum, payable in thirty days, and agree that, if the smaller note is paid at maturity, the maker shall be discharged from the larger, there is no sufficient consideration for such contract; but if another person be liable on the smaller note as indorser, his added liability is a sufficient consideration. *Jenness v. Lane*, 26 Maine, 475.

23. The conveyance of land, subject to a mortgage made by a former owner on condition that certain personal services should be performed by the mortgagee, is a sufficient consideration for a note given for the purchase-money. *Hoyt v. Bradley*, 27 Maine, 242.

See *Defences*.

#### 4. Construction.

1. A promise to pay a sum of money "when I shall receive or realize the above sum" from a certain source, is a promise to pay so much as may be received or realized therefrom, though it fall short of the whole amount promised. *Aldrich v. Fox*, 1 Greenleaf, 316.

2. If the place of payment of a note is designated in a memorandum at the bottom, or if to the acceptance is added a particular place of payment, with the holder's consent, such memorandum is part of the contract. And if the name of a place only be written at the bottom of a note, the jury may determine when, by whom, and why, it was written there. *Tuckerman v. Hartwell*, 3 Greenleaf, 147.

3. A note made payable to a female, after her marriage, by her maiden name, the maker and her attorney who received it not knowing of the marriage, enures to the husband, and may be sued in his name. *Templeton v. Cram*, 5 Greenleaf, 417.

4. A note of hand, payable "on demand, with interest after four months," with the words "on demand" erased, but still legible, was held not to be due till after the lapse of the four months. *Hobart v. Dodge*, 1 Fairfield, 156.

5. A note made payable to G. W., as treasurer of a corporation, is payable to the corporation, and may be sued in its name. *Levant M. and S. Fund v. Parks*, *Ibid.* 441.

6. A note payable "on demand, with interest after six months," is due presently, the six months applying to the interest. *Rice v. West*, 2 Fairfield, 323.

7. Where a plaintiff withdrew a suit pending, and wrote a discharge of the notes on which the action was founded, on copies thereof; and a second note was then signed and delivered, on condition that the original notes should be procured and sent to the defendant in two weeks; *Held*, that this was a condition *subsequent*. *Goddard v. Cutts et al.*, 2 Fairfield, 440.

8. A note, made to "J. L., Land Agent of the State of Maine, or order," given for property sold belonging to the State, is payable to the State, and not to J. L., and should be sued in its name. *State v. Boies*, 2 Fairfield, 474.

9. A bill of exchange, drawn by a person residing in one State of the Union, upon a person residing in another, and payable there, is a foreign bill. *Green v. Jackson*, 15 Maine, 136; *Freeman's Bank v. Perkins*, 18 Maine, 292.

10. If a note be made and signed by one, and another, for the same consideration, *afterwards* signs the note, and adds after his name the word "surety," he is a joint promisor. *Hughes v. Littlefield*, 18 Maine, 400.

11. Where the date of a note is the only date upon it, the indorsements are to be considered as made at that date, unless proved to have been subsequently put on. *Burnham v. Webster*, 19 Maine, 232.

12. Where, in the body of a note, the makers describe themselves as trustees of a voluntary association, they are *personally* liable. *Fogg v. Virgin*, *Ibid.* 352.

13. An alteration of a note, not apparent on its face, made before delivery, while the note was held by one of the makers, will be construed to have been made by their consent, unless the contrary is shown. *Eddy v. Bond*, *Ibid.* 461.

14. Bills payable out of the State are foreign bills. *Warren v. Coombs*, 20 Maine, 139.

15. Where notes are signed by three persons for a joint debt, each is principal for one third, and surety for the other two thirds. *Goodall v. Wentworth*, 20 Maine, 322.

16. Where it appears upon the face of a note that one of the makers is a principal, and the others are sureties, and one of the latter, having paid the note, claims contribution of the others, the character in which the parties signed will be presumed to be correctly exhibited on the face of the note. *Crosby v. Wyatt*, 23 Maine, 156.

17. A memorandum, written at the bottom of a note when it was

made, that it was not to be collected, till a person named should take it up, as the maker had paid for his doing so, is *a part of the contract, neither repugnant nor immaterial*, and cannot be taken from the note by the payee or indorsee without rendering it void. *Johnson v. Heagan*, 23 Maine, 329.

18. A note made payable "from the avails of certain logs bought of M. M., when there is sale made," is payable *absolutely*, when a reasonable time has elapsed for the sale of the logs, and not on a contingency. *Sears v. Wright*, 24 Maine, 278.

19. In a suit upon a promissory note, if the plaintiff be the holder, the law presumes the title is in him, or in some person for whom he acts. *Southard v. Wilson*, 29 Maine, 56.

20. If one without the maker's consent affix his name as a subscribing witness to a note that had been executed without a witness, it is a material alteration of the note. *Thornton v. Appleton*, 29 Maine, 298.

21. E. purchased of W. a contract against S., giving his note for the purchase-money, "to be paid as soon and as fast as it can be collected," and, if not so collected, to be paid in four years. *Held*, that the contract was *not* made the fund out of which the note was to be paid. *Smith v. Ellis*, 29 Maine, 422.

See *Validity*, 2, 3, 11, 16; *Consideration*, 14; *Negotiability and Transfer*, 12; *Acceptance*, 2; *Presentment, Demand, &c., Waiver of*, 4.

### 5. Days of Grace.

1. The drawer of an inland bill and the indorser of a promissory note, as well as the acceptor and maker, are entitled to three days' grace by the statute of 1824, c. 272, when the bill or note has been discounted at a bank or left there for collection. *Pickard v. Valentine*, 13 Maine, 413; *McDonald v. Smith*, 14 Maine, 99.

2. Notes made payable at a particular bank, but not discounted by or left for collection in any bank, are not entitled to grace under the same statute. *Buck v. Appleton*, *Ibid.* 284.

3. Where the maker of a note is entitled to grace, the indorser has the same privilege. *Central Bank v. Allen*, 16 Maine, 41.

4. The statute of 1824, c. 272, as to notes discounted or left for collection in a bank, does not apply, unless they be so discounted or left for collection before *arriving at maturity*. *Rea v. Dorrance*, 18 Me. 137.

5. By the same statute, notes left with a bank to be collected are entitled to grace, and cannot be demanded till the last day of grace. *Howe v. Bradley*, 19 Maine, 31.

6. Where the third day of grace falls on the Lord's day, the maker of a promissory note is by the same statute entitled to only two days' grace. *Homes v. Smith*, 20 Maine, 265.

### 6. When Discharge of the Original Cause of Action.

1. A debt previously due is considered as paid and extinguished by the creditor's acceptance of a *negotiable* bill or note therefor. *Varner*



*v. Inhabitants of Nobleborough*, 2 Greenleaf, 121 ; *Gilmore v. Bussey*, 3 Fairfield, 418 ; *Newall v. Hussey*, 18 Maine, 249 ; *Comstock v. Smith*, 23 Maine, 202.

2. But a negotiable bill or note, so accepted, will not be regarded as payment of the debt, when it is otherwise agreed by the parties at the time. *Gilmore v. Bussey*, 3 Fairfield, 418 ; *Comstock v. Smith* 23 Maine, 202 ; *Descadillas v. Harris*, 8 Greenleaf, 298.

3. So such inference of law may be rebutted by proof of usage or circumstances, inconsistent with its being so regarded as payment. *Varner v. Inhabitants of Nobleborough*, 2 Greenleaf, 121.

4. A promissory note, given and accepted in satisfaction of a book debt, due from a third person, and with his consent, is a discharge of such debt. *McLellan v. Crofton*, 6 Greenleaf, 307.

5. A., one of two joint owners of a vessel, purchased supplies for her, and gave a negotiable note therefor in the name of both, but without authority from his associate. *Held*, that, the note being void as to the latter, an action was maintainable against both for the original cause of action. *Wilkins v. Reed*, *Ibid.* 221.

6. A negotiable security given in a foreign country, is not to be regarded here as an extinguishment of a simple contract debt, there created, unless made so by the law of that country. *Descadillas v. Harris*, 8 Greenleaf, 298.

7. A note, *not negotiable*, given for a subsisting account, is no bar to an action on such account. *Trustees of the Ministerial and School Fund in Dutton v. Kendrick*, 3 Fairfield, 381 ; *Edmond v. Caldwell*, 15 Maine, 340.

8. Where the vendor of goods drew a bill for the amount on the vendee, and by mistake extended the time of payment therein beyond that agreed by the parties, and the vendee fraudulently took advantage of the mistake, and accepted the bill to entrap the other party and gain an advantage for himself, the vendor may treat the bill as void, and maintain an action for the goods sold. *Hervey v. Harvey*, 15 Me. 357.

9. A copartner, authorized on the dissolution of a firm to settle its affairs, cannot give a note for a subsisting claim so as to bind the other partners ; by such note, therefore, a previous claim on the firm is not extinguished. *Perrin v. Keene*, 19 Maine, 355.

### 7. Notes Payable in Specific Articles

1. If a note be given, payable in specific articles, at a time fixed, the creditor may appoint the place. And if the debtor has his option to deliver one article at one place, or another at a different place, he must give the creditor suitable notice of his election. *Aldrich v. Albee*, 1 Greenleaf, 120.

2. If, in case of a note payable in specific articles, the creditor live out of the United States, still the debtor ought to ascertain from him where he will receive them. *Bixby v. Whitney*, 5 Greenleaf, 192.

3. A note, payable in goods of a particular trade, is payable in entire and salable goods ; not in goods damaged, antiquated, or out of use. *Dennett v. Short*, 7 Greenleaf, 150.

4. A promissory note, payable in specific articles, is not within the meaning of the proviso in the statute of limitations, by which notes for the payment of *money*, if attested by a subscribing witness, are excepted from its operation. *Gilman v. Wells*, Ibid. 25.

5. In an action on a note, payable in lumber at a particular time and place, it is not sufficient to plead that the party or his agent was ready to survey and deliver enough to pay the note, if it had been presented; but an actual designation and setting out of the lumber, so that the property passes to the creditor, can alone constitute a valid defence. *Wyman v. Winslow*, 2 Fairfield, 398.

6. If the articles in which a note is payable are heavy and cumbrous, and the place of delivery cannot be ascertained from the circumstances, and is not designated in the note, the creditor has the right to appoint the place of delivery. *Howard v. Miner*, 20 Maine, 325.

7. The debtor ought to request the creditor to name the place, or deliver them to him personally at a proper place. But if the latter be out of the State, a reasonable effort to ascertain where he is and give him notice is sufficient. And if the creditor, being notified, does not appoint a place, the debtor may appoint some reasonable place, and a tender there will discharge him. *Ibid.*

8. But if the intention of the parties as to the place of delivery can be ascertained from their contract, and the circumstances existing with regard to it proved, the delivery should be made at such place, though its occupancy or condition may have been altered since the making of the contract. *Ibid.*

9. On a note, payable in hay, the defendant need only have at the specified place and time the quantity agreed on, of the agreed kind and quality, set apart for the creditor; but it is not necessary that the hay should be actually weighed; the quantity may be otherwise ascertained, and it need not be moved except so far as is necessary to enable the creditor to distinguish, identify, and remove it if he pleases. *Leballister v. Nash*, 24 Maine, 316.

See *Pleadings and Evidence*, 11.

### 8. Negotiability and Transfer.

1. Payment of a note will not destroy its negotiability, if made by the last indorser, or if made by any prior indorser, if the subsequent indorsements are struck out. *Mead v. Sewall*, 2 Greenleaf, 207.

2. An executor under the laws of another State cannot indorse a note payable to his testator made by a citizen of this State, so that the indorsee may maintain an action here in his own name. *Stearns v. Burnham*, 5 Greenleaf, 261.

3. A bill of exchange payable to the drawer's order, and not indorsed, may be assigned, for a valuable consideration, by delivery only. *Titcomb v. Thomas*, Ibid. 282.

4. The interest of one of several joint assignees in such a bill may be transferred to others by delivery of the bill, and payment by them of his share of the money due upon it. *Ibid.*

5. The payee of a negotiable promissory note, having indorsed it in blank, and delivered it to another as collateral security for his own debt, may still negotiate it to a third person; who, having discharged the lien of the pledgee, before judgment, may maintain an action thereon. *Fisher v. Bradford*, 7 Greenleaf, 28.

6. A promissory note, payable in cash or specific articles, is not negotiable. *Matthews v. Houghton*, 2 Fairfield, 377.

7. A blank indorsement by the payee of a negotiable note transfers the title to a *bonâ fide* holder, and it thereupon passes by delivery as if it had been made payable to bearer. *McDonald v. Bailey*, 14 Maine, 101.

8. In an action by the indorsee against the maker of a note, the words "eventually accountable" were held not to restrict or qualify the transfer, and not necessary to be noticed in the declaration. *Ibid.*

9. An order, negotiable in form, but for no specified sum, and payable on a contingency, is not negotiable; but, if drawn for the whole of a particular fund, it may be regarded as an assignment thereof. *Legro v. Staples*, 16 Maine, 252.

10. If the payee of a negotiable note gives his assent by his signature to an assignment by the maker for the benefit of his creditors, wherein provision is made for its payment or for payment of a part of it, the negotiable character of the note is not thereby destroyed; though the effect may be to make the signature to the assignment ineffectual, unless adopted by the indorsee. *Hilton v. Southwick*, 17 Maine, 303.

11. An assignment and delivery of a negotiable note before it falls due, without the indorsement of the payee, places the assignee in no better condition than the payee. *Savage v. King*, 17 Maine, 300; *Calder v. Billington*, 15 Maine, 398.

12. A note, made payable to a married woman, is in law payable to the husband; and the wife's transfer thereof conveys no property therein. *Savage v. King*, 17 Maine, 300.

13. A note given to J. M. P. and J. W., partners in the purchase and sale of lands, as the consideration of a deed of certain lands, was indorsed by one of them in the partnership name of P. & W. by the prior consent of the other who was not present, in payment of a debt due by them; it was held, that the note was legally indorsed and transferred. *Dudley v. Littlefield*, 21 Maine, 418.

14. Where a bill is indorsed by one in the name of a firm, it would seem that the acceptor cannot question the validity of such indorsement as long as the other members of the firm make no question in regard to it. *Davenport v. Davis*, 22 Maine, 24.

15. The words, "I hereby guaranty the payment of the within note," written and signed by the payee, amount to an indorsement of the note. *Myrick v. Hasey*, 27 Maine, 9.

16. Any illegality in the transfer of a promissory note vitiates the title of one who was a party to such illegality. *Sproule v. Merrill*, 29 Maine, 260.

See *Rights, Remedies, and Liabilities*, 20; *Actions, when maintainable, &c.*, 32.

B

9. *Acceptance.*

1. If the holder of a bill of exchange, who is entitled to an absolute acceptance, takes a conditional one, he cannot resort to the drawer but upon the failure of the drawee to pay according to such conditional acceptance. *Campbell v. Pettengill*, 7 Greenleaf, 126.

2. A bill of exchange drawn by a party upon himself must be regarded as an accepted bill. *Cunningham v. Wardwell*, 3 Fairfield, 467.

3. The acceptance of a bill of exchange by the drawee is presumptive evidence that he had effects of the drawer in his hands. *Kendall v. Galvin*, 15 Maine, 131.

See *Rights and Liabilities*, 23.

10. *Presentment, Demand, and Notice.*

1. Necessity of.
2. By whom to be made or given.
3. Sufficiency of.
4. Waiver of.

1. *Necessity of.*

1. A town order, drawn by the selectmen on the treasurer, must be presented to the latter for payment, but no *notice* of non-payment or non-acceptance need be given to the selectmen. *Varner v. Inhabitants of Nobleborough*, 2 Greenleaf, 121.

2. So where an incorporated manufacturing company, by its agent, draws a bill on its treasurer and indorses it, no notice need be given to the corporation. *Commercial Bank v. St. Croix Man. Co.*, 23 Me. 280.

3. Though the payee of a promissory note indorses it merely to give it currency, knowing at the time the maker's insolvency, this, it *seems*, does not excuse the want of demand and notice to the indorser. *Groton v. Dalheim*, 6 Greenleaf, 476.

4. The drawer is entitled to notice, though the drawee has no funds in his hands, if the bill be drawn under such circumstances as might induce the drawer to entertain a reasonable expectation that the bill would be accepted and paid. *Campbell v. Pettengill*, 7 Greenleaf, 126; *Burnham v. Spring*, 22 Maine, 495.

5. In an action on a promissory note, against the maker, payable at a particular time and place, no averment or proof of demand at that particular place and time is necessary; but if the maker was ready to pay at such time and place, that is matter of defence. *Bacon v. Dyer*, 3 Fairfield, 19; *Remick v. O'Kyle*, Ibid. 340; *McKenny v. Whipple*, 21 Maine, 98; *Gammon v. Everett*, 25 Maine, 66.

6. A loaned money to B, at defendant's request, and took B's note for the amount, payable in two years, and the agreement of defendant on the back of the note, as follows: "I agree to secure the within note to A out of or with a certain piece of land and water privilege situated," &c. *Held*, that this was a guaranty, and defendant not entitled to notice of non-payment. *True v. Harding*, 3 Fairfield, 193.

7. If the maker of a check, payable instantly, has no funds at the bank, this unexplained is deemed a fraud; and an action is at once sustainable without presentment or notice. *True v. Thomas*, 16 Maine, 36.

8. If notice to the indorser be expressly waived by him in writing, this does not dispense with the necessity of proving a demand upon the maker, or a waiver thereof by the indorser. *Drinkwater v. Tebbetts*, 17 Maine, 16; *Burnham v. Webster*, Ibid. 50.

9. An indorser is always entitled to notice, whether he become such for value or for the accommodation of another. *Rea v. Dorrance*, 18 Maine, 137.

10. If a promissory note be indorsed, for the benefit of the maker, and a mortgage is made by the maker to the indorser for his indemnity, but no benefit is derived by the latter therefrom, a demand on the maker is not excused. *Maine Bank v. Smith*, Ibid. 99.

11. A bank-note, like a note of hand, payable on demand, but having no place of payment appointed therein, may be sued without proof of any special demand. *Bryant v. Damariscotta Bank*, Ibid. 240.

12. A note, payable on demand, was indorsed "accountable in eight months" from the date of the indorsement, and, at the same time, the indorsee gave the indorser a bond not to sue the maker within eight months. *Held*, that no demand or notice was necessary. *Bagley v. Buzzell*, 19 Maine, 88.

13. Proof that, at the time of the transfer, the indorser was informed that the holder would rely on him for payment of the note at its coming due, does not excuse from demand and notice. *Davis v. Gowen*, Ib. 447.

14. If the holder of a note find the indorser's place of business locked during business hours, he is excused from further attempts to notify him. *Howe v. Bradley*, Ibid. 31.

15. Where a note is indorsed after it falls due, demand and notice are necessary to charge the indorser, though the maker was insolvent at the time of the indorsement and afterwards. *Greely v. Hunt*, 21 Me. 455.

16. Though the indorser knew that the note would not be paid on presentment, or that the maker was dead and his estate insolvent, still the holder should make presentment and give notice of dishonor. *Gower v. Moore*, 25 Maine, 16; *Hunt v. Wadleigh*, 26 Maine, 271.

17. The transfer by delivery of a previously indorsed and protested draft is equivalent to drawing a new bill on the acceptor, payable on demand, or at sight; and it must be presented in a reasonable time to the acceptor, and notice of dishonor must be given the indorser. *Hunt v. Wadleigh*, 26 Maine, 271.

See *Rights and Liabilities*, 24; *Indorser and Guarantor*, 4, 7, 16, 21; *Pleadings and Evidence*, 84.

2. *By whom to be made or given, when and where.*

1. If the place of payment is designated in a memorandum at the bottom of a note, or if, to the acceptance of a bill, a place of payment is added with the assent of the holder, a demand should be made at such place on the day it becomes payable to bind the indorser. *Tuckerman v. Hartwell*, 3 Greenleaf, 147.

2. If the residence of the drawer of a bill is unknown to the holder, he ought to inquire of the other parties to the bill if their residence is known, in order, if possible, to give the drawer notice. *Hill v. Varrell*, 3 Greenl. 233.

3. If the maker of a note be absent when it falls due, demand of payment should be made at his domicile, if he have any ; otherwise, diligent search for him will suffice. *Whittier v. Graffam*, Ibid. 82.

4. Each indorser of a note is entitled to one day to give notice to the party next liable ; but the time is to be calculated from the day the notice was in fact received, and not enlarged by the fact that he has received notice earlier than might in strictness be required. *Farmer v. Rand*, 16 Maine, 453.

5. A demand for payment merely is sufficient ; and it may be made by an agent, the agency being avowed and the principal disclosed. *Bryant v. Damariscotta Bank*, 18 Maine, 240.

6. Where an indorsed bill is sent to a bank for collection, although the bank has no interest in it, yet, for the purpose of making a demand, and transmitting notice, the bank will be considered the real holder. *Freeman's Bank v. Perkins*, Ibid. 292.

7. If the indorser of a note has changed his place of residence between the making and maturity of the note, the holder is bound to ascertain the new residence of the indorser, and send notice of non-payment there, or to use all reasonable efforts to ascertain where it is. *Barker v. Clarke*, 20 Maine, 156.

8. Inquiries, in such case, should be made at the indorser's former place of residence. *Ibid.*

9. A demand on the maker of a note, in order to charge the indorser, ought to be shown to have been made on the day the note falls due. *Robinson v. Blen*, 20 Maine, 109.

10. When the maker of a note dies before it becomes payable, presentment should be made to his personal representatives. *Gower v. Moore*, 25 Maine, 16.

11. The defendant and several others signed a paper, agreeing that all notes to which they were respectively parties left at a certain bank for collection, should be considered the same as if made payable at that bank, and then said, "And we further agree that all notices left at the places set against our names shall be considered legal and binding on us" ; and no place was set against the defendant's name ; he was left thereby in a condition to insist upon his legal rights as indorser so far as it respected the place where notices were to be sent. *Smith v. Trickey*, 24 Maine, 539.

See *Sufficiency of*, 1, 2, 5, 16, 32, 34, 35, 36, 39, 44 ; and *Grace, Days of*, 5.

### 3. Sufficiency of.

1. Notice of the non-acceptance or non-payment of a bill or note may be given through the post-office. *Whittier v. Graffam*, 3 Greenleaf, 82. See 5.

2. *Aliter*, of a demand of payment, unless by present consent of the

VOL. I.

40

maker or drawee, or by some known usage, regulating the contract. *Ibid.*

3. A note, signed by two jointly and severally, and made payable at their dwelling-houses in the town of D., was presented to both at the barn-yard of one, and, no objection being made as to the place, it was held, that such demand was sufficient. *Baldwin v. Farnsworth*, 1 Fairf. 414.

4. A demand on the maker of a note, by the cashier of a bank where it had been left for collection, is sufficient to charge the indorser, though the cashier had not the note with him at the time of making such demand, when all the parties reside in the town where the bank is situated. *Gallagher v. Roberts*, 2 Fairf. 489; *Maine Bank v. Smith*, 18 Me. 99.

5. If the holder and indorser live in the same town, notice through the post-office is not sufficient; personal notice must be given, or a notice must be left at the indorser's residence or place of business. *Green v. Darling*, 15 Maine, 141; *Davis v. Gowen*, 19 Maine, 447.

6. Where the parties reside in the same town, notice on the nineteenth day after receiving information of dishonor is insufficient. *Green v. Darling*, 15 Maine, 141.

7. A note, payable at a particular bank, was presented to the cashier thereof after business hours on the day it fell due, and payment refused because the acceptor had provided no funds; such presentment was held sufficient. *Flint v. Rogers*, 15 Maine, 67.

8. Where a note is made payable at either of the banks in a city or town, it is not the duty of the holder to give notice to the maker at which bank the note will be presented when it falls due. *Page v. Webster*, 15 Maine, 249.

9. A notice left in the office and usual place of business of the indorser of a bill with a person in charge of the office, is sufficient. *Lord v. Appleton*, 15 Maine, 270.

10. When a notice is regularly deposited in the post-office, the risk of delay rests with the party to be notified. *Ibid.*

11. Where the usage of a bank is so loose and variable, and so different from what the law requires, as to render it uncertain whether any notice was given, at any time or place, or put into the post-office for an indorser, such usage will not bind him, even though he does business with the bank. *Thorn v. Rice*, 15 Maine, 263.

12. If a bank where a note is made payable ceases to exist, and another bank does business in the same room, presentment at the room is sufficient. *Central Bank v. Allen*, 16 Maine, 41.

13. If the maker of a note remove before it comes due, and his residence cannot be ascertained by reasonable diligence, a demand, if necessary, is sufficient if made at his former residence. *Ibid.*

14. If the indorser of a note has changed his residence between the making and maturity of the note, the holder is excused from giving notice of dishonor only by proof of all reasonable efforts to ascertain his new residence and give him notice there. *Clark v. Bigelow*, 16 Maine, 246; *Barber v. Clark*, 20 Maine, 156.

15. A demand made at eight o'clock of the day when a note is pay-

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able is insufficient, being made at an unseasonable hour. *Lunt v. Adams*, 17 Maine, 230.

16. A letter giving notice of dishonor must be put into the post-office in season to be carried by the first mail of the next day after dishonor. *Goodman v. Norton*, 17 Maine, 381; *Beckwith v. Smith*, 22 Maine, 125.

17. Proof that it was put into the office at nine o'clock in the morning of the day after dishonor, merely, without showing that it was in season to go by the first mail of that day, is not sufficient. *Goodman v. Norton*, 17 Maine, 381; *Beckwith v. Smith*, 22 Maine, 125.

18. A demand made and notice given by a notary employed by the cashier of a bank, where the note had been left for *collection only*, is sufficient to charge the indorser. *Warren v. Gilman*, 17 Maine, 360.

19. A notice need not state that the holder looks to the drawer or indorser for *payment*. *Ibid.*

20. A bill was drawn, accepted, and indorsed by residents of Maine, and made payable at a bank in Boston, negotiated at a bank in Bangor, the town where all the parties resided, and by it sent to the bank in Boston for collection; and after presentment there and refusal, notices were made out to all the prior parties, and transmitted by mail to the cashier of the Bangor Bank; and the cashier on the morning of their arrival took them from the post-office, directed one to the indorser in that city, and immediately replaced it in the office. *Held*, that, as the notice came from Boston, this mode of transmitting it was sufficient. *Ibid.*

21. But in such case, where the indorser lived in a neighboring town, and the notices were received by the cashier two hours before the mail closed for that town, and he did not make a new notice out, but merely directed the original one to the indorser, and did not put it into the office till the mail had closed; *Held*, that due diligence had not been exercised, and the indorser was discharged. *Freeman's Bank v. Perkins*, 18 Maine, 292.

22. If a person direct the messenger of a bank to leave his notices at a certain place, a notice to him, as indorser of a bill, left by the messenger at that place, will be held sufficient till the direction is countermanded. *Eastern Bank v. Brown*, 17 Maine, 357.

23. If the holder finds the indorser's place of business locked during business hours, he is excused from further efforts to give notice. *Howe v. Bradley*, 19 Maine, 31.

24. It is not necessary that the notice should state the holder's name, or the place where the note is to be found. *Ibid.*

25. A notice delivered to an indorser by a wrong surname is good, if the indorser knows who is meant, and that the note described therein is that on which the suit is brought; and whether he does so know or not is a question for the jury. *Carter v. Bradley*, 19 Maine, 62.

26. An order was drawn by the selectmen of a town on the town treasurer, payable on demand, which he refused to pay. *Held*, that the person making the demand was not obliged to produce and exhibit the order upon such refusal, but it was sufficient that he had it with him. *Pease v. Cornish*, 19 Maine, 191.

27. If the indorser live in a wilderness twenty-eight miles from any



post-office, a notice sent by mail is not sufficient ; but it should be given in person, or sent by a special messenger. *Fish v. Jackman*, 19 Me. 467.

28. An agent, to whom a note has been sent for collection, is not entitled to a day, before he is bound to give notice. *Ibid.*

29. But notice sent by the next mail after demand is sufficient. *Ibid.*; *Crocker v. Getchell*, 23 Maine, 392.

30. Where a principal received notice from his agent by the first mail after demand on the first day of the month, and sent a special messenger to an indorser, residing forty-eight miles distant, by whom notice was received on the fourth; *Held*, that if he commenced his exertions to give notice on the second, and used ordinary diligence, the notice would be seasonable. *Fish v. Jackman*, 19 Maine, 467.

31. Where a note was indorsed "Good to J. L. or order, without notice," &c., and appears by indorsement to have been partially paid on the day of maturity, such indorsement authorizes the conclusion of due presentment. *Lane v. Steward*, 20 Maine, 98.

32. If the last day of grace falls on the Lord's day, the maker is entitled to only two days' grace ; and a presentment made on the Lord's day is too late to charge the indorser. *Homes v. Smith*, 20 Maine, 264.

33. In an action against the maker on a promissory note, payable on demand, no demand need be averred or proved. *McKenny v. Whipple*, 21 Maine, 98.

34. To charge the drawer or indorser, residing in a different State, the direction of the notice should name, not only the place where he resides, but likewise the State, where there are at least two towns of the same name in different States. *Beckwith v. Smith*, 22 Maine, 125.

35. When a bill or note is payable at a place where there are no established business hours, a presentment for payment made at any reasonable hour of the day is sufficient. *Dana v. Sawyer*, 22 Maine, 244.

36. But a presentment a few minutes before twelve o'clock at night is useless and a nullity, unless there should have been a waiver of objection as to the time, or it appear from an answer to such demand that payment would not have been made upon demand at a proper hour. In such case, a demand at such late hour might perhaps suffice. *Ibid.*

37. A demand that is obligatory upon the maker of a note suffices to charge an indorser. *Bank of Portland v. Brown*, 22 Maine, 295.

38. It is sufficient for the holder of a note to transmit a notice to his immediate indorser, and he is under no obligation to do more, unless he desires to charge other parties ; and such indorser, on receiving the intelligence, should, in due season, notify the succeeding indorser. And this course may be followed by all parties to the note. *Crocker v. Getchell*, 23 Maine, 392.

39. And, if the holder of a bill or note leaves it with an agent in a different town or city for collection, such agent is only bound to notify his principal in due season, and for that purpose is considered a party to the note. *Ibid.*

40. But if the holder should employ agents whose residence is so distant from that of the parties to the paper, that the transmission of notices through them would occasion great and unnecessary delay, this might be evidence of want of due diligence, or even of fraud. *Ibid.*

41. Notice sent by a private conveyance, instead of the mail, is sufficient ; but the holder must show due diligence. *Jarvis v. St. Croix Manufacturing Co.*, 23 Maine, 287.

42. A mistake in a notice of the dishonor of a bill or note does not render it invalid, if it do not mislead the party to whom it is directed. *Crocker v. Getchell*, 23 Maine, 392 ; *Bradley v. Davis*, 26 Maine, 45.

43. It is sufficiently early to charge the indorser of a note who lives in another State, if a notice of the dishonor, directed to him, be put into the post-office within a convenient time after the commencement of business hours on the day succeeding that of the dishonor. *Shepley, J.*, dissenting. *Chick v. Pillsbury*, 24 Maine, 458.

44. If a note is indorsed when overdue, a demand is sufficient to charge the indorser, if made within a reasonable time after the indorsement. *Sanborn v. Southard*, 25 Maine, 409.

45. It is not essential to the validity of a notice that it should be stated therein who is the owner of the bill or note, or at whose request the notice was given. When a notice is signed by a notary public, it is presumed that he was duly authorized by the holder of the bill, whoever he may be. *Bradley v. Davis*, 26 Maine, 45.

See *Demand, &c., By whom, &c.*, 5.

#### 4. Waiver of.

1. Parol evidence of statements made by the indorser at the time of the indorsement is admissible to show a waiver of demand and notice. *Fuller v. McDonald*, 8 Greenl. 213 ; *Drinkwater v. Tebbetts*, 17 Maine, 16 ; *Lane v. Steward*, 20 Maine, 98 ; *Sanborn v. Southard*, 25 Me. 409.

2. Such waiver need not be positive, but may result by implication from usage or from any understanding between the parties such as would satisfy the mind that a waiver was intended. *Fuller v. McDonald*, 8 Greenl. 213.

3. The drawer of an order was informed, a month after it fell due, that it was unpaid. He thereupon took it, in order to obtain payment, and afterwards returned it to the holder, saying there should be no difficulty about it, he would pay it himself. *Held*, that this promise, if made with knowledge of all the facts, was a sufficient waiver of notice. *Cram v. Sherburne*, 14 Maine, 48.

4. Where an indorser wrote the words "Eventually accountable" before his name, *held*, that this was a waiver of demand and notice. *McDonald v. Bailey*, 14 Maine, 101.

5. W. A., the payee of a negotiable note, indorsed it thus : "W. A. holden, Aug. 11, 1836." *Held*, that he was liable without demand or notice. *Bean v. Arnold*, 16 Maine, 251.

6. The words, "We waive demand on the promisor and notice to ourselves," written over the names of several indorsers, and appearing on the note when offered to be read to the jury, are *prima facie* evidence of a waiver of demand and notice. *Farmer v. Sewall*, 16 Maine, 456 ; *Farmer v. Rand*, 14 Maine, 225.

7. A negotiable note was indorsed before it was payable, and it was then agreed that the indorsee should forthwith inform the maker that it

was indorsed to him, and request that payment should be made when the note became due, and should wait six months before making costs on the note, which was done. *Held*, that it was a sufficient waiver of demand. *Drinkwater v. Tebbetts*, 17 Maine, 16.

8. A promise by the indorser to pay, when he knows no demand has been made upon the maker, will render him liable. But such knowledge must be proved, and cannot be inferred from the fact of a promise to pay. *Davis v. Gowen*, 17 Maine, 387.

9. But it is not sufficient proof of a waiver, that the indorser was informed, at the time of the indorsement, that the holder relied altogether on him for payment at maturity. *Davis v. Gowen*, 19 Maine, 447.

10. An indorsement by the payee of the note, "Good to J. L. or order, without notice," does not dispense with demand on the maker. *Lane v. Steward*, 20 Maine, 98.

11. A waiver of demand is sufficiently established by proof that the indorser, at the time of the indorsement, said that, if the maker did not pay the note at its maturity, he would ; and that, after it became due, he told the holder that, if he would commence a suit against the maker and could not collect it, he would pay it. *Ibid*.

12. When the payee of a promissory note writes the words, "Holden without demand or notice," on the back of a note, and signs it, and another person writes his name directly below it, whether this is a waiver or not on the part of the second indorser, an agreement by him to waive demand and notice may be proved by parol or inferred from circumstances. *Ticonic Bank v. Johnson*, 21 Maine, 426.

13. If a note has been indorsed by partners in the name of their firm, a waiver of demand and notice, being a mere modification of an existing liability, may be made by one partner after the dissolution of the firm, and before the note becomes payable. *Darling v. March*, 22 Maine, 184.

14. If the drawer or indorser of a bill, after full knowledge that it had not been duly presented, promise to pay it, this will be a waiver of the laches and he will be bound. But not if the promise be made in ignorance of the facts. And the burden of proof is on the plaintiff to show that the defendant knew he was not regularly charged. *Hunt v. Wadleigh*, 26 Maine, 271.

15. A payee, indorsing a note thus, "Phineas Wood, holden for the within note," is liable without demand or notice ; and is not discharged by a year's delay to collect the note from the maker. *Blanchard v. Wood*, 26 Maine, 358.

16. Where a note, then payable, having a blank indorsement by the payee, was received of him by the holder, with the understanding, of which the indorsee was perfectly conusant, that a demand on the maker and notice to the indorser were not intended to form a condition, on which alone the latter were to become liable ; it was *held*, that demand and notice were thereby waived. *Fullerton v. Rundlett*, 27 Maine, 31.

See *Indorsers, Guarantors, and Sureties*.

11. *Protest.*

1. There is no necessity of causing inland negotiable notes to be protested. *Gilman v. Lewis*, 15 Maine, 452.

2. In an action on a foreign bill, the protest is competent evidence to prove presentment of the bill to the acceptor, and non-payment. *Green v. Jackson*, 15 Maine, 136; *Green v. Darling*, 15 Maine, 139; *Freeman's Bank v. Perkins*, 18 Maine, 292.

3. If a bill be drawn, accepted, and indorsed to persons residing in this State, but made payable at a place in another State, the notarial protest is competent evidence to prove presentment of the bill and non-payment. *Warren v. Warren*, 16 Maine, 259; *Clark v. Bigelow*, 16 Maine, 246; *Freeman's Bank v. Perkins*, 18 Maine, 292; *Northern Bank v. Williams*, 21 Maine, 217.

4. The protest of a notary public of another State, wherein he states, that he sent a notice of the dishonor of a bill to the drawer on the next day after the demand and refusal, "by the first practicable mail thereafter," is competent evidence to prove the facts thus stated. *Beckwith v. St. Croix Manuf. Co.*, 23 Maine, 284.

5. A protest of a bill or note, duly certified by a notary public, is made by statute (c. 44, § 12) legal evidence of the facts stated in it, "as to the notice given to the drawer or indorser, in any court of law"; but it is not conclusive. *Bradley v. Davis*, 26 Maine, 45.

6. The protest, to be taken as conclusive evidence of the facts, ought to be specific as to the mode in which the notices were given, by stating whether they were verbal or written. And if in writing, it should state whether the writings were delivered to the persons notified, or sent by some conveyance; if the latter, by what mode, and to what place addressed. But if the protest be defective, the necessary facts may be supplied by other proof. *Ibid.*

7. The statute making the protest of an inland promissory note evidence of the facts therein stated, applies as well to protests made before as after the act went into operation; and is not, in that respect, unconstitutional. *Fales v. Wadsworth*, 23 Maine, 553.

See *Pleadings and Evidence*.

12. *Rights and Liabilities.*1. *In General.*

1. Where one engaged to give a note, signed by himself and his father, for money borrowed by himself, and in the interim gave his own note, for which the joint note was to be substituted; and the joint note was accordingly signed, but was never delivered to the lender, the son being killed while carrying it to him; and afterwards the father obtained possession of the note and destroyed it; *Held*, that the father was not liable for the money. *Leigh v. Horsum*, 4 Greenl. 28.

2. Where the assignees of a bond, for the conveyance of land, agreed to sell one half their interest to the defendant for the same sum they had given therefor, and through their fraudulent misrepresentations the de-

defendant gave his note for four times the amount ; *Held*, that they should recover on the note the amount paid by them, as had been agreed, and no more. *Stevens v. McIntier*, 14 Maine, 14.

3. Where the master of a vessel at a foreign port, having authority to borrow money to purchase a return cargo, drew a bill of exchange, in his own name, on his owners, directing on the face of the bill that the amount thereof should be charged to the cargo of the vessel ; *Held*, that he was personally liable as drawer. *Snow v. Goodrich*, 14 Maine, 235.

4. The holder of a bill has no right to make an alteration therein, to correct a mistake, unless to make it conform to what *all parties* to it originally agreed or intended it should be. *Hervey v. Harvey*, 15 Maine, 357.

5. If the name of a firm be signed to negotiable paper by one of the partners in a firm, though in a matter out of the course of the partnership business and without the knowledge or consent of the rest, yet, if the note is discounted at a bank in the usual manner, without knowledge of these facts, the firm is bound. *Waldo Bank v. Lumbert*, 16 Me. 416.

6. If the maker of a check, payable instantly, has at the time no funds in the bank, this, when unexplained, is deemed a fraud, so far as to deprive the drawer of all right to require presentment and demand of payment. *True v. Thomas*, 16 Maine, 36.

7. When the payee of a note not negotiable, given to an agent in his own name, is notified, before payment or judgment against him, that the principal was owner of the property sold, and that he claimed to have the payment made to himself ; if the payee disregard such notice, the rights of the principal are not impaired by such payment or judgment. *Pitts v. Mower*, 18 Maine, 361.

8. Where property is put into the hands of the payee of a note by the principal promisor as collateral security for that note, the receiver is under an implied obligation to account for the proceeds. And whatever expenses are incurred by him to make it available are a fair charge upon the property, and the balance only is to be applied to pay what is due. *Starrett v. Barber*, 20 Maine, 457.

9. If an unappropriated payment be made sufficient to pay one of two notes, the creditor, by bringing an action on one, appropriates the sum paid to the payment of the other. *Ibid*.

10. Where three sign a note for a joint debt, each is principal for one third and co-surety for the other two thirds ; and if one pays another's share of the note after it has become payable, he has a legal claim on the third for contribution. *Goodall v. Wentworth*, 20 Maine, 322.

11. And to sustain such claim it is not necessary to prove an inability of the principal to pay his share at the time of payment. *Ibid*.

12. A creditor, receiving a draft for collection, and negotiating the same and passing the proceeds thereof to his debtor's credit, is not thereby concluded, unless chargeable with negligence or want of fidelity in endeavoring to collect the same. *Goodnow v. Howe*, 20 Maine, 164.

13. After a note has been signed by one promisor, the attestation generally by a subscribing witness, when he was not present, if intended as an attestation of the signatures of the other promisors, and made

without fraudulent intent, does not impair the liability of the first promisor. *Rollins v. Bartlett*, 20 Maine, 319.

14. Where a note was given in the name of a partnership, and was indorsed for valuable consideration before it fell due, and the indorsee had no other knowledge of its origin than that it was given for land purchased; *Held*, that this was not sufficient notice to him that the signature of the partnership name had been unauthorized. *Dudley v. Littlefield*, 21 Maine, 418.

15. Where an assignment of his effects was made by the acceptor of a draft, for the benefit of his creditors, containing a release of the debtor; and the payee of the draft, with the verbal approbation of the drawer, wrote upon the assignment in the list of creditors a description of the draft "for whom it may concern"; *Held*, that this did not discharge the drawer from his liability. *Fiske v. Stevens*, 21 Maine, 457.

16. The ratification of an indorsement by the payee of a note, made by one assuming to act as his agent without authority from him, can operate only as an indorsement made at the time of ratification. *Clark v. Peabody*, 22 Maine, 500.

17. If there be no appropriation by either party of a payment, the law will appropriate it, other things being equal, to the payment of a note absolutely due, rather than to that of one transferred as collateral security. *Bank of Portland v. Brown*, 22 Maine, 295.

18. If the agent of an incorporated company be clearly authorized to issue negotiable paper, indorsees not privy to its origin would not be bound to examine into the transaction from which the note or draft originated, but may presume it was drawn in pursuance of such authority. *Commercial Bank v. St. Croix Manuf. Co.*, 23 Maine, 280.

19. The acceptance of a draft by the treasurer of an incorporated company, without any evidence of his authority, does not render the company liable. *Atkinson v. St. Croix Manuf. Co.*, 24 Maine, 171.

20. Plaintiff received post-notes, payable at a future day in another State, and agreed to account for the same to the defendant on his note to plaintiff, if collected; or to return them if payment should be refused; *Held*, that the plaintiff should have caused them to be duly presented for payment; if not then paid, he might retain them as security for his debt. *Medomak Bank v. Curtis*, 24 Maine, 36.

21. It is only when an assignee has acquired a title through the promisee that he can insist upon the right to maintain an action in the name of the payee of paper not negotiable. *Ballard v. Greenbush*, 24 Maine, 336.

22. If two of four joint promisors on a note pay before the note falls due "two thirds of the within note, principal and interest," and it is so indorsed thereon, yet they are not discharged from payment of the sum still due. *Coburn v. Ware*, 25 Maine, 330.

23. If a plaintiff can legally receive payment of a note, the maker is protected if he pay to him, whatever may become of the proceeds of such payments; and the maker has no right to inquire into their disposition. *Stevens v. Hill*, 29 Maine, 133.

24. In settling a contract S. gave E. a negotiable note, marked A,

secured by mortgage, and a bond. E. assigned conditionally the bond to secure some of his creditors, and indorsed the note, and delivered the mortgage to secure a note made at that time by him to W. S. then purchased of W. the note against E. *Held*, that the court had no equitable jurisdiction to enjoin the holders of the bond and note A from proceeding upon them at law against S., or to compel them to be set off against the note which S. purchased of W. *Smith v. Ellis*, 29 Maine, 422.

25. One who sells and delivers a promissory note, on which the names of indorsers have been forged, is not liable upon an implied promise to refund the money received therefor, if he sold the same as *property* and not in payment of a *debt*, and if he did not know of the forgery. *Baxter v. Duren*, 29 Maine, 434.

26. The drawee of an order of \$55.00 paid \$34.75, and indorsed on it that the payee had received that sum, "it being all that the drawee intends to pay, unless the drawer designed the order to be exclusive of \$20.25 already paid by drawee without order." The drawer in fact intended that drawee should pay the whole \$55.00, of which drawee was notified by a new request from him. *Held*, that the writing on the order constituted a conditional acceptance, and that the drawee was liable for the balance. *Phillips v. Frost*, 29 Maine, 77.

27. If the principals upon a note, after it has become effectual in the payee's hands, so alter their relations among themselves that one becomes a surety of the other, this arrangement cannot affect the payee's rights. *Patch v. King*, 29 Maine, 448.

See *Consideration*, 2; *Acceptance*, 1.

## 2. Of Indorsers, Guarantors, and Sureties.

1. The promisee of a negotiable note, payable in six months, sold it, having made and signed this indorsement on it: "I guaranty the payment of the within note in six months"; *Held*, that this was an original and absolute undertaking, binding the guarantor to see that the maker paid the note in the said time, or to take notice of his neglect and pay it himself. *Cobb v. Little*, 2 Greenl. 261.

2. Where the payee of a note, after having been requested by the surety to collect the money of the principal, gave him further time in pursuance of a new agreement; *Held*, that the surety was discharged. *Kennebec Bank v. Tuckerman*, 5 Greenl. 130; *Leavitt v. Savage*, 16 Maine, 72; *Hutchinson v. Moody*, 18 Maine, 393; *Mariner's Bank v. Abbott*, 28 Maine, 280.

3. On the indorsement of a promissory note, then payable, the indorser requested the indorsee "not to call on the maker at present," to which the indorser agreed. No demand was made on the maker till more than six months afterwards, and no notice given to the indorser till three months after such demand; all the parties living in the same county. *Held*, that this agreement did not excuse such long delay, and the indorser was discharged. *Lord v. Chadbourne*, 8 Greenl. 198.

4. The engagement of the guarantor of a preëxisting debt is, that the debt shall be paid if the creditor will take the usual steps to secure payment. But where before the guaranty was given the original debt was

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payable and absolute against all parties chargeable, and nothing of a preliminary nature remained to be done to perfect the creditor's rights, demand and notice are not necessary to charge a guarantor. *Read v. Cutts*, 7 Greenl. 186.

5. It being the usage of a bank to let the accommodation notes of its debtors remain overdue, interest being paid in advance at every return of the time of renewal, and a former director, acquainted with and acquiescing in such usage, became surety on such note which was thus permitted to remain two years, till the maker became insolvent; *Held*, that he was still liable. *Strafford Bank v. Crosby*, 8 Greenl. 191.

6. A note payable to order and indorsed in blank by four persons, being afterwards in the possession of the second indorser, he wrote over all the names, "We waive all demand on the promisor and notice to ourselves, and guaranty the payment at all events," without the assent or knowledge of an after indorser; *Held*, that such after indorser was thereby discharged. *Farmer v. Rand*, 14 Maine, 225.

7. Where C. signed his name to a note, made and signed by A., and added, "Surety ninety days from date"; *Held*, that this was a guaranty that the principal should be for ninety days of sufficient ability to pay the note; and that C.'s liability could not be extended beyond the ninety days. *Ulmer v. Reed*, 2 Fairf. 293.

8. Mere delay of a payee in enforcing payment against the principal does not discharge the surety. *Freeman's Bank v. Rollins*, 13 Maine, 202; *Page v. Webster*, 15 Maine, 249.

9. The receipt of interest for a stipulated time in advance from the principal by the payee, after the note has become payable, is not evidence of an agreement to give further credit thereon, and does not discharge the surety. *Ibid.*, 13 Maine, 202; *Mariner's Bank v. Abbott*, 28 Maine, 280.

10. Mere delay to enforce the collection of a note against the maker does not discharge the indorser, even though the holder had not commenced a suit when requested so to do by the indorser. *Page v. Webster*, 15 Maine, 249.

11. Nor is the indorser discharged by the neglect of the holder to enter an action against the maker, thereby releasing property attached on the writ which was afterwards conveyed to a third person. *Ibid.*

12. The indorsee of a promissory note has a right to claim and hold as much collateral security as he can obtain, if he does nothing under color of such right to injure other creditors. *York Bank v. Appleton*, 17 Maine, 55.

13. It furnishes no defence to a surety that he voluntarily became such, without the assent or knowledge of his principal. *Hughes v. Littlefield*, 18 Maine, 400.

14. An indorser is not discharged by the refusal of the holder to receive from the maker a conveyance of sufficient real estate as security, and give days of payment. *Lane v. Steward*, 20 Maine, 98.

15. The indorser of a note is not discharged by the holder's releasing the property of the maker attached and taking a statute bond, though done at the solicitation of the maker, and for a valuable consideration. *Ibid.*



16. An indorsement thus, "Good to J. L. or order," cannot be considered as a guaranty, and is no waiver of demand on the maker. *Ibid.*

17. Where the acceptor agreed with the holder of a draft in suit to be defaulted at the next term of the court, and to continue the cause one term more for a stipulated sum, but if the sum was not paid, then judgment should be rendered on the default, and an action against the indorser continued; *Held*, that the first clause of the agreement would enable the plaintiff to obtain payment sooner, and was not an agreement to give time; that the continuance, on payment being made as stipulated, was a conditional contract to give time to the acceptor, which did not discharge the drawer or indorsers. *Lowney v. Perham*, 20 Maine, 235.

18. If the holder by an agreement with the maker incapacitates himself to proceed against him, the indorser will be discharged. *Pierce v. Whitney*, 22 Maine, 113.

19. A new promise must be made with full knowledge of all the facts, in order to renew the liability of a guarantor, once discharged by the holder's negligence. *Gamage v. Hutchins*, 23 Maine, 565.

20. So when, at the time a note payable on demand was indorsed and guarantied, the maker was solvent, and so continued for two years thereafter, during which time and until the maker failed the holder made no attempt to collect it, and gave no notice to the guarantor, the latter is discharged. *Ibid.*; also, *How v. Nickels*, 22 Maine, 175.

21. Where there is a guaranty by a third person to pay the amount due on a note then payable, at a stipulated time, no demand on the maker of the note or notice to the guarantor is required to make the latter liable. *Cooper v. Page*, 24 Maine, 73.

22. Where the acceptor of a bill, payable at a fixed time and guarantied, was solvent when it fell due, but failed four months afterwards, no notice of non-payment being given to the guarantor during the next four years; *Held*, that the guarantor is discharged by such neglect. *Globe Bank v. Small*, 25 Maine, 366.

23. On a guaranty that a draft shall be eventually paid, it is sufficient to prove the insolvency of the parties, and that it could not be collected. *Hunt v. Wadleigh*, 26 Maine, 271.

24. If the indorser of a note has been compelled to pay a part thereof to the indorsee, he may recover the amount so paid in an action against the maker for money paid, though part remains unpaid. *Garnsey v. Allen*, 27 Maine, 366.

25. It is wholly immaterial whether such payment be made in money or other property, if it be accepted as such. *Ibid.*

26. The liability of a principal in a note to reimburse his surety commences at the time the note is delivered to the payee; and whenever the surety may make payment, he is to be considered a creditor of the principal from the time the note was made and delivered. *Sargeant v. Salmond*, 27 Maine, 539.

27. Where a party indorsed a note then overdue, "Indorser not holden, D. S." he is nevertheless liable if a payment has been made or a set-off can be claimed, when he has not given the indorsee any notice of such facts, and they are not inferable from the face of the note. *Ticonic Bank v. Smiley*, 27 Maine, 225.

28. A guaranty to pay a note after the guarantee has obtained execution, if it cannot be collected from the maker, is valid, though the execution be obtained in the name of the indorsee of the guarantee. *Gillighan v. Boardman*, 29 Maine, 79.

29. Where a note was payable at a future period with interest annually, and the annual interest was not demanded or notice of the non-payment thereof given; if at the maturity of the note a demand is duly made and notice given, the indorser is liable for the principal and all the interest. *Howe v. Bradley*, 19 Maine, 31.

30. An indorser's guaranty of a negotiable note, "for debt and costs without demand and notice," renders him liable to the indorsee for the costs of a fruitless suit against the maker, but not for the expenses of protest. *Gilman v. Lewis*, 15 Maine, 452.

31. The indorser of a bill of exchange is not liable for the costs of a suit commenced by the holder against the acceptor; nor for any commissions paid in the collection of part of the money from him. *Bangor Bank v. Hook*, 5 Greenl. 174.

32. Where a person guarantied the payment of a note out of certain real estate, and after his decease his heirs, of whom the plaintiff was one, signed a writing, not under seal, purporting to release a portion of the estate to one of the heirs, but reserving enough to pay the note; *Held*, that this was not evidence of the payment of the note, or satisfaction of the guarantor's liability. *True v. Harding*, 3 Fairf. 193.

See *Construction*, 10, 15, 16; *Actions*, 25, 30; *Presentment and Demand, Waiver of*, 15.

### 13. *Actions on Bills and Notes.*

1. When and by whom maintainable.
2. When subject to Equities between other Parties.
3. Defences.

#### 1. *When and by whom maintainable.*

1. If one of two joint promisors on a note have neither domicile nor property in this State, a separate action may be maintained here against the other. *Dennett v. Chick*, 2 Greenl. 191.

2. If an action be brought in the name of one only of two joint indorsees, and judgment obtained therein, they are not estopped to maintain a joint action against the indorser, as guarantor of the same note. *Cobb v. Little*, 2 Greenl. 261.

3. The acceptor or maker of a bill or note may be sued, after demand and refusal of payment, at a reasonable hour on the very day it falls due; and the indorser and drawer also, after notice has been duly sent. *Greely v. Thurston*, 4 Greenl. 479.

4. Where a bill of exchange, payable to the drawer's order, was assigned by delivery only, and not indorsed; *Held*, that an action was maintainable against the acceptor in the drawer's name. *Titcomb v. Thomas*, 5 Greenl. 282.

5. Where the promisee in a joint and several note, signed by three,  
VOL. 1. 41

sued one of the makers alone and recovered judgment; *Held*, that an action could not be supported against the other two jointly. *Bangor Bank v. Treat*, 6 Greenl. 207.

6. Where a note was given and accepted by the parties thereto in satisfaction of a book debt, due from a third person, with the latter's consent, the liability thus incurred by the maker of such note forms a good ground of action against such third party relieved, to recover the amount of the debt, though the note had not been paid. *McLellan v. Crofton*, 6 Greenl. 307.

7. Where a note had been indorsed in blank, and transferred to a party as collateral security by the payee, *held*, that the latter might still negotiate it to a third person, who, having paid off the pledgee's lien before judgment, might maintain an action on it in his own name as indorsee. *Fisher v. Bradford*, 7 Greenl. 28.

8. If an administrator in another State holds, as such, a negotiable note, he can maintain an action on it in this State as indorsee, subject to any defence originally open to the promisor. *Barrett v. Barrett*, 8 Greenl. 353.

9. Where the promisor in a note, payable in specific articles, performed services for the holder, which were accepted in payment of the note; *Held*, that the promisor could not maintain an action for the value of his services, they still constituting a good defence to an action on the note. *Joy v. Foss*, 8 Greenl. 455.

10. Where one of two joint promisees in a negotiable note, having it in his possession, was requested by the other to sell it and apply the proceeds to their common benefit, and so sold it; but the other, being called upon to indorse it, refused; after which the seller indorsed it in their joint names; *Held*, that the purchaser could not maintain an action on the note as indorsee, the seller's authority being revoked by the refusal. *Lowell v. Reding*, 9 Greenl. 85.

11. By articles of agreement, A covenanted to convey to B a lot of land if B should pay at maturity certain notes given at the same time; if B did not pay the notes, then the agreement was to be void, and B to pay all damages and forfeit all he had previously paid. In a suit on one of the notes, it was *held*, that the notes and articles of agreement were independent, and an offer to convey was not necessary to maintain the suit, but the plaintiff thereby waived his right to avoid his covenant to convey. *Manning v. Brown*, 1 Fairf. 49.

12. In an action by the payee against the maker of a note, the fact that there is an indorsement thereon of the plaintiff's name, with the words "without recourse to me," uncanceled, is no objection to plaintiff's recovery in an action in payee's name. *Thornton v. Moody*, 2 Fairf. 253.

13. A special promise by the maker of a note, not negotiable, to pay the note to an assignee, does not merge the original promise on the note; but the assignee may maintain an action in his own name on such special promise, or on the note in the name of his assignor. *Hatch v. Spearin*, 2 Fairf. 354.

14. In such a case, an assignee of the assignee to whom the promise

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was made cannot avail himself thereof, but must bring his action on the note. *Ibid.*

15. Where a note was signed and delivered on condition that certain other notes should be sent to the maker of such new note in two weeks; *Held*, that this was a *condition subsequent*, and that the action was maintainable on the note in suit without showing its performance. *Godard v. Cutts*, 2 Fairf. 440.

16. The defendants gave their note to plaintiff, payable as soon as his contract for making the Canada road should be completed to the acceptance of the agent appointed by the Governor and Council to inspect such road. The contract was to make a road around Bald Mountain. The road was made over the mountain, and was accepted by the agent of the State. *Held*, that the action on the note was maintainable. *Shed v. Miller*, 3 Fairf. 318.

17. The payee of a note negotiated it to a bank, and afterwards failed and assigned his property for the benefit of his creditors. The assignee who was second indorser on the note commenced an action thereon, when due, in the payee's name, the property and possession of the note being still in the bank, but before trial he paid the amount and took it up. *Held*, that the action was maintainable. *Bradford v. Bucknam*, 3 Fairf. 15.

18. Where a note is received and indorsed as security for another note, it having been made originally for a different purpose, the holder of the principal note only can maintain an action thereon. *Lane v. Padelford*, 14 Maine, 94.

19. Where the equitable owner of a note, payable to another, recovered judgment upon it in the payee's name, and gave an execution to an officer, who took the note of a third person for the amount payable to the judgment creditor, and discharged the execution; *Held*, that the equitable owner might maintain an action on the last note in the name of the payee. *Harriman v. Hill*, 14 Maine, 127.

20. The possession of a note payable to a third person, and not negotiable, and the declarations of the holder that it was his property, and the leaving it with an attorney for collection as such, in the absence of all opposing proof, are evidence of an equitable assignment of the note to him, and will enable him to maintain an action thereon in the name of the payee. *Ibid.*

21. No action can be maintained on an indorsed promissory note but by one, or under the authority of one, having a legal interest therein. *Bragg v. Greenleaf*, 14 Me. 395; *Ballard v. Greenbush*, 24 Me. 336.

22. Thus, where a note had been sold and indorsed to a third person, the payee cannot maintain an action thereon without the direction or consent of the person to whom the note belongs. *Bragg v. Greenleaf*, 14 Maine, 395.

23. After due demand and refusal of payment of a draft, and after notice thereof had been put into the post-office directed to the indorser resident in another town, an action against such indorser, commenced on the same day, may be maintained, although by the regular course of the mail the notice would not reach him till the next day. *Flint v. Rogers*, 15 Maine, 67.

## BANK STATISTICS.

## BANKS OF CANADA.

*Statement exhibiting the Circulation of, and Coin Deposits held by, the Banks in Canada, on July 31, 1850, and May 31, 1851.*

## July 31, 1850.

<i>Banks.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Coin.</i>	<i>Deposits.</i>	<i>Loans.</i>
Bank of Montreal, . . . . .	£ 750,000	£ 441,943	£ 147,844	£ 449,679	£ 1,306,914
Bank of British North America, . . . . .	640,000	170,810	64,425	231,544	789,715
Commercial Bank, Midland District, . . . . .	403,200	157,989	46,922	156,635	653,047
Bank of Upper Canada, . . . . .	360,867	194,216	49,706	429,992	692,290
City Bank of Montreal, . . . . .	221,793	100,476	23,872	45,070	252,964
Quebec Bank, . . . . .	100,000	56,922	21,700	77,115	192,855
Banque du Peuple, . . . . .	200,000	49,898	20,322	95,954	293,479
Gore Bank, . . . . .	80,000	107,678	9,340	38,272	193,634
<b>Total, . . . . .</b>	<b>£ 2,775,880</b>	<b>£ 1,309,932</b>	<b>£ 384,131</b>	<b>£ 1,624,261</b>	<b>£ 4,374,898</b>

## May 31, 1851.

<i>Banks.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Coin.</i>	<i>Deposits.</i>	<i>Loans.</i>
Bank of Montreal, . . . . .	£ 750,000	£ 581,697	£ 139,678	£ 408,363	£ 1,650,564
Bank of British North America, . . . . .	640,000	200,584	93,122	239,372	966,932
Commercial Bank, Midland District, . . . . .	411,300	224,029	58,053	225,956	851,571
Bank of Upper Canada, . . . . .	381,192	251,066	51,206	516,183	1,015,333
City Bank of Montreal, . . . . .	221,792	96,436	15,397	51,795	316,648
Quebec Bank, . . . . .	100,000	65,960	19,170	62,517	195,484
Banque du Peuple, . . . . .	200,000	70,508	21,811	122,635	351,063
Gore Bank, . . . . .	80,000	133,185	14,963	34,809	226,655
<b>Total, . . . . .</b>	<b>£ 2,794,285</b>	<b>£ 1,623,435</b>	<b>£ 413,490</b>	<b>£ 1,691,630</b>	<b>£ 5,574,260</b>
<b>Increase in 1851, . . . . .</b>	<b>£ 8,405</b>	<b>£ 313,503</b>	<b>£ 29,299</b>	<b>£ 167,369</b>	<b>£ 1,199,332</b>

The fault found last year with statements similar to the foregoing requires noticing now.

The banks in making their returns to Parliament should adopt a uniform system. Several banks are in the habit of giving a general statement of their affairs, while others give an average statement of liabilities and assets for the previous six months; it is therefore impossible to make up correct bank statistics from such returns.

From the present returns it will be seen that there has been an increase within the twelve months of, —

Capital, . . . . .	£ 8,405
Circulation, . . . . .	313,503
Specie, . . . . .	29,299
Deposits, . . . . .	167,369
Loans, . . . . .	1,199,332

These figures show a large expansive movement, although it is difficult to say upon what basis, the capital employed being only £ 8,000 over that of 1850, and the deposits showing an increase of £ 167,000, whilst the discounts are up to £ 5,575,000, being an increase of nearly £ 1,250,000. Another feature is the small proportion in the increase of specie, against the large increase in circulation and the increase in deposits, the banks having only added £ 29,000 to their vaults, and at the same time ex-

tended their circulation over £ 300,000. The total amount of circulation is £ 1,623,000 against which £ 413,000 in specie is held, a proportion of about one fourth. The banks, becoming somewhat alarmed at their present position, have thought it prudent to commence a reduction in discounts; in fact, have been compelled to curtail from the scarcity of exchange, consequent on the low price and small shipments of produce, and the necessity of placing themselves in funds wherewith to cover their London accounts, which were considerably overdrawn when these returns were made up.—*Montreal paper.*

*Prices of Canada Stocks, October, 1851.*

Description.		Shares.		Paid up.	Dividend last six months.	Prices.
Banks.		£	s. d.			
Bank of Montreal, . . . . .	50 0 0	whole	3 per cent.	12 premium.		
Bank of British North America, . . . . .	50 0 0	stg. do.	2½ per cent.	None offering.		
Commercial Bank, Midland District, . . . . .	25 0 0	do.	3 per cent.	1½ discount.		
City Bank, reduced stock, . . . . .	18 15 0	do.	. . . . .	18½ discount.		
Bank of Upper Canada, . . . . .	12 10 0	do.	3 per cent.	10 discount.		
Banque du Peuple, . . . . .	12 10 0	do.	2½ per cent.	Unsettled.		
<i>Mining.</i>						
Montreal Company, consols, . . . . .	5 0 0	2 5 9	. . . . .	1s. 3d.		
Quebec and Lake Superior Company, . . . . .	2 0 0	0 16 3	. . . . .	Unsalable.		
Lake Huron Silver and Copper Company, . . . . .	1 5 0	0 2 6	. . . . .	do.		
Upper Canada Company, . . . . .	1 5 0	0 2 6	. . . . .	do.		
British North American Company, . . . . .	10 0 0	1 6 8	. . . . .	do.		
Huron Copper Bay Company, . . . . .	1 5 0	0 1 3	. . . . .	do.		
Canada Company, . . . . .	1 5 0	0 2 6	. . . . .	do.		
<i>Railroad.</i>						
Champlain and St. Lawrence Company, . . . . .	50 0 0	whole.	£ 6 5s. per share.	Unsettled.		
St. Lawrence and Atlantic Company, . . . . .	50 0 0	do.	. . . . .	No sales.		
Montreal and Lachine Company, . . . . .	50 0 0	do.	2 p. cent. p. an.	45 discount.		
Do. Guaranteed Shares, . . . . .	50 0 0	£ 25	8 " "	4½ premium.		
<i>Telegraph.</i>						
Montreal Company, . . . . .	10 0 0	whole.	5 p. cent. 6 mo.	None offering.		
Montreal and Troy Company, . . . . .	12 10 0	do.	. . . . .	10 discount.		
<i>Insurance, &amp;c.</i>						
Montreal Gas Company's Stock, . . . . .	10 0 0	do.	2 p. cent. p. an.	40 discount.		
Government Debentures, . . . . .	. . . . .	. . . . .	6 p. cent. p. an.	½ premium.		
Champlain and St. Lawrence Railroad Bonds, . . . . .	. . . . .	. . . . .	7 per cent.	Par.		
Montreal Insurance Company, . . . . .	50 0 0	£ 10	8 per cent.	Unsettled.		

**THE BANKERS' ALMANAC.**—This is the title of a neat compilation of 140 octavo pages, to be continued annually, and intended as a "useful appendage to the desk of the cashier" and banker, and acceptable to money-dealers generally. It contains an immense amount of information concerning banks and banking, usury laws, finances, stocks, coinage, rates of exchange, forms of bills of exchange, money tables, and other matters, too numerous to detail, foreign and domestic. Those interested in such matters will do well to examine the volume for themselves.—*Salem Register.*

## VIRGINIA.

*Statement of the Northwestern Bank of Virginia, including its Branches at Wellsburg, Parkersburg, and Jeffersonville, at the beginning of each quarter of 1851.*

Resources.	Jan. 1, 1851.	April 1, 1851.	July 1, 1851.	Oct. 1, 1851.
Bills discounted, . . . . .	\$1,450,818.30	\$1,624,367.95	\$1,661,453.33	\$1,710,713.62
Stock of Northwestern Bank, . . . . .	34,700.00	34,700.00	33,600.00	32,000.00
" Wh. and Belmont Bridge Co., . . . . .	20,000.00	20,000.00	20,000.00	20,000.00
" F. and M. Insurance Co., . . . . .	1,728.50	. . . . .	. . . . .	. . . . .
Unpaid instalments on stock, . . . . .	20,525.00	19,400.00	300.00	300.00
Banking-houses, . . . . .	23,980.69	23,980.69	23,792.44	26,440.38
Other real estate, . . . . .	51,226.10	33,098.55	26,870.13	16,098.02
Due by other banks, . . . . .	190,500.06	266,866.99	265,648.38	227,645.37
Notes of other banks and checks, . . . . .	85,347.52	89,134.03	91,706.09	77,079.35
Coin, . . . . .	304,910.13	313,337.96	356,773.26	365,171.66
Expenses, . . . . .	6,164.58	3,910.95	7,875.70	3,477.59
In transit between parent bank and branches, . . . . .	. . . . .	. . . . .	2,010.76	. . . . .
<b>Total resources, . . . . .</b>	<b>\$2,189,900.88</b>	<b>\$2,448,787.12</b>	<b>\$2,510,030.09</b>	<b>\$2,478,925.89</b>
LIABILITIES.	Jan. 1, 1851.	April 1, 1851.	July 1, 1851.	Oct. 1, 1851.
Capital stock, . . . . .	\$792,100.00	\$792,100.00	\$792,100.00	\$792,100.00
Circulation of bank and branches, . . . . .	1,103,569.00	1,313,916.00	1,336,088.00	1,360,464.00
Due depositors, . . . . .	179,908.82	226,881.69	239,291.68	198,702.20
Due other banks, . . . . .	32,011.26	40,843.56	36,617.24	34,434.23
Discount account, . . . . .	42,250.50	20,266.39	46,502.07	22,061.86
Exchange and collection account, . . . . .	4,854.48	2,990.16	5,752.30	4,552.28
Rent account, . . . . .	647.88	434.31	434.31	. . . . .
Contingent fund, . . . . .	33,999.59	51,008.36	53,244.49	65,425.02
In transit, . . . . .	559.35	364.65	. . . . .	1,196.30
<b>Total liabilities, . . . . .</b>	<b>\$2,189,900.88</b>	<b>\$2,448,787.12</b>	<b>\$2,510,030.09</b>	<b>\$2,478,925.89</b>
Parent bank at Wheeling, Va., Capital \$507,600; John C. Campbell, President; Daniel Lamb, Cashier.				
Branch at Wellsburg, " " 118,000; Adam Kuhn, " Samuel Jacob, "				
" Parkersburg, " " 100,000; James M. Stephenson, " Beverly Smith, "				
" Jeffersonville, " " 66,500; John W. Johnston, " J. M. Benham, "				

The statement for January 1 and July 1 includes the expense account, discount, exchange, and collection, and rent accounts for the six months preceding; for April 1 and October 1, for the three months preceding those dates respectively.

For further particulars relating to the Northwestern Bank, our readers are referred to page 359, Vol. V., November, 1850. It will be seen from these, that the bank partakes of the general expansion which marks the condition of the moneyed institutions of Virginia as well as all the other States (Louisiana only excepted).

	Oct., 1849.	Oct., 1850.	Oct., 1851.
Circulation, . . . . .	\$675,000	\$815,000	\$1,360,000
Deposits, . . . . .	171,000	160,000	198,000
Loans and stocks, . . . . .	1,130,000	1,340,000	1,760,000
Specie, . . . . .	203,000	210,000	365,000

In addition to the coin on hand, the bank maintains balances in the banks of Baltimore, New York, and Boston, to the extent of nearly \$200,000.

THE BANKERS' ALMANAC FOR 1851. — This is a valuable manual of 140 pages octavo, published by Phillips, Sampson, & Co. of Boston, and which they intend to continue annually. It is exactly the work to be upon the cashier's desk for constant reference, containing twenty-two sections of statistics, which are just the points which bankers wish to know. To all engaged in financial operations, it cannot but be a useful work; one, indeed, which will be almost indispensable. — *Albany Register*.

## SOUTH CAROLINA.

*Liabilities and Resources of the Bank of Charleston, on the 30th of June, 1846, 1847, 1849, 1850, 1851.*

LIABILITIES.	June, 1846.	June, 1847.	June, 1849.	June, 1850.	June, 1851.
Capital stock, . . .	\$3,160,800	\$3,160,800	\$3,160,800	\$3,160,800	\$3,160,800
Circulation, . . .	1,061,114	1,332,228	1,594,860	1,945,064	1,630,672
Individual deposits, . . .	536,862	471,258	413,930	506,436	519,621
Due distant banks, . . .	391,230	624,458	479,708	662,198	615,368
Due Charleston banks, . . .	14,833	4,440	3,526	93,455	25,476
Public deposits, . . .	2,368	2,427	2,370	2,374	2,378
Dividends unpaid, . . .	9,047	8,517	10,007	12,330	16,568
Undivided profits, . . .	431,676	490,015	756,965	431,534	492,367
Sterling bills sold, . . .	...	...	...	...	...
Due agencies, . . .	438,030	193,245	1,190,756	...	...
<b>Total liabilities, . . .</b>	<b>\$6,039,960</b>	<b>\$6,267,388</b>	<b>\$7,612,912</b>	<b>\$6,813,191</b>	<b>\$6,463,130</b>
RESOURCES.	June, 1846.	June, 1847.	June, 1849.	June, 1850.	June 30, 1851.
Bills discounted, . . .	\$1,741,543	\$1,207,564	\$1,252,440	\$1,942,535	\$1,663,308
Domestic bills of exchange, . . .	1,046,300	922,164	1,062,770	1,810,937	1,763,524
Sterling bills, . . .	531,102	1,024,425	2,356,856	731,984	...
French exchange, . . .	319,728	319,872	316,348	268,694	68,698
Bonds and mortgages, . . .	460,400	421,365	251,078	200,880	144,288
Suspended debt, . . .	156,817	86,177	104,337	57,104	69,400
Due by banks, . . .	344,266	270,082	240,952	856,970	968,737
Due by agencies, . . .	205,322	250,462	399,843	237,937	436,036
Foreign premiums, . . .	51,878	79,054	94,968	...	...
Bonus for charter, . . .	53,125	47,500	36,250	30,625	25,000
Real and personal estate, . . .	90,961	69,896	63,808	35,994	37,994
Stocks and bonds, . . .	316,071	854,264	560,648	530,643	530,648
Contingent losses, . . .	201,686	249,866	327,507	...	...
Notes of other banks, . . .	55,305	44,112	71,046	110,996	125,060
Gold and silver, . . .	397,331	423,803	436,225	656,744	558,495
Miscellaneous, . . .	68,216	16,792	17,836	41,148	56,947
<b>Total resources, . . .</b>	<b>\$6,039,960</b>	<b>\$6,267,388</b>	<b>\$7,612,912</b>	<b>\$6,813,191</b>	<b>\$6,463,130</b>

The business of the bank (as with most others in the Southern cities) is more active in the winter months, as will be seen by the following comparative table.

	Sept., 1850.	Dec., 1850.	Feb., 1851.	May, 1851.
Circulation, . . .	\$1,860,000	\$2,907,000	\$3,300,000	\$2,313,000
Due Banks, . . .	919,000	1,878,000	2,348,000	1,623,000
Deposits, . . .	451,000	516,000	693,000	608,000
Loans, . . .	3,993,000	5,760,000	6,100,000	4,734,000
<b>Total liabilities, . . .</b>	<b>\$7,037,000</b>	<b>\$9,211,000</b>	<b>\$10,183,000</b>	<b>\$8,398,000</b>

The following table will show the business of the largest bank in each of the cities of Boston, New York, Philadelphia, Charleston, and New Orleans, at recent dates.

	Bank of Charleston.	Bank of Commerce, N. Y.	Merchants' Bank, Boston.	Bank of Pennsylvania.	Bank of Louisiana.
Capital, . . .	\$3,160,000	\$4,564,000	\$3,000,000	\$1,875,000	\$3,992,000
Circulation, . . .	2,300,000	7,000	700,000	460,000	1,218,000
Bank balances, . . .	2,348,000	114,000	1,040,000	560,000	268,000
Deposits, . . .	693,000	2,516,000	740,000	1,232,000	2,170,000
Loans, . . .	6,000,000	7,922,000	4,826,000	3,083,000	1,580,000
Coin, . . .	600,000	409,000	372,000	548,000	2,500,000



It may be proper to remark, that there are other banks in these cities that do nearly as much business as those above specified. The Bank of Charleston has probably the largest circulation of any single institution in the country. The largest circulation in New York is that of the Bank of New York, \$456,000. In Pennsylvania, the Lancaster Bank, \$577,000. In Massachusetts, the Merchants' Bank, \$700,000. In New Orleans, the Louisiana State Bank, \$2,058,000.

In deposits for other institutions, the Merchants' Bank of New York has the largest share, viz. \$2,400,000, but there are three others in the same city with balances above \$2,000,000 each. In Boston, the Suffolk Bank, \$2,000,000. In Philadelphia, the Philadelphia Bank, \$1,028,000.

In individual deposits, the heaviest amount is in the American Exchange Bank, New York, \$3,055,000; and Merchants' Bank, \$3,041,000. In Boston, the Merchants' Bank, \$855,000. In New Orleans, the Louisiana State Bank, \$2,900,000. In Charleston, the Bank of Charleston, \$690,000; Bank of the State of South Carolina, \$620,000. Some few institutions have a constant line of deposits above their capital, viz. Bank of America, New York; Bank of New York, 140 per cent.; Butchers and Drovers' Bank, 100 per cent.; City Bank, New York, and Mechanics' Bank, 150 per cent.; Leather Manufacturers' Bank, 133 per cent.; Merchants' Bank, 200 per cent.; Phenix Bank, 160 per cent.; Tradesman's Bank, 150 per cent.; Union Bank, 200 per cent.; American Exchange Bank, 200 per cent.; Bowery Bank, 300 per cent.; Broadway Bank, 160 per cent.; Chemical Bank, 367 per cent.; Fulton Bank, 170 per cent.; Mechanics' Banking Association, 150 per cent.; North River Bank, 150 per cent.

In Boston, there is not a single instance of this kind; the banks being by law confined to 100 per cent. beyond their capital, in their aggregate liabilities. In New York City the individual deposits in banks exceed their capital 25 per cent. In Boston they are 75 per cent. less; in Philadelphia, 33 per cent. more. In the latter city the deposits in twelve of the banks largely exceed their capital. In New Orleans, the deposits are as large as in Boston, but are only 50 per cent. of the bank capital. In Baltimore, the individual deposits of three only of their banks exceed their capital.

In the item of loans it will be found that the largest sum is that of the Bank of Commerce, New York, \$7,900,000. Bank of Charleston, \$6,000,000. Merchants' Bank, Boston, \$4,900,000. In New York, there are three banks with loans above \$4,000,000; five, above \$3,000,000; and three, above \$2,000,000.

In the item of coin, the New Orleans banks are more strongly fortified; their five banks having ordinarily \$7,000,000,—the largest amount of which is in the Bank of Louisiana, \$2,900,000. In New York, the Bank of America, \$1,051,000; Bank of New York, \$1,008,000. The Philadelphia Bank, \$665,000. The Suffolk Bank, Boston, \$420,000.

The heaviest business in proportion to capital is that of the Commercial Bank of Cincinnati, viz. capital, \$50,000; circulation, \$49,000; individual deposits, \$397,000; loans, \$406,000.

Few moneyed institutions show the uniform management of the Bank of Baltimore. The bank commenced business, January 2, 1797, and has had no interruption to its semiannual dividends from that period to the present, nearly fifty-five years. Its first cashier was elected in 1796, and held office until June, 1841, when his successor (and present incumbent) was elected. Another remarkable feature in the history of that bank is, that the three presidents of the institution from 1796 to 1841 were members of the first board of directors.

COINAGE OF THE MINTS OF THE UNITED STATES,  
From their Organization to September 30, 1851.

	To 1847.	Year 1848.	Year 1849.	Year 1850.	9 months 1851.
<b>PHILADELPHIA.</b> — Gold, . . .	\$ 52,741,350	\$ 2,780,930	\$ 7,948,332	\$ 27,756,445	\$ 35,426,513
Silver, . . .	62,748,211	420,050	922,950	409,600	283,874
Copper, . . .	1,145,591	64,158	41,984	44,468	85,443
	\$ 116,635,153	\$ 3,265,138	\$ 8,913,266	\$ 28,210,513	\$ 35,795,830
<b>NEW ORLEANS.</b> — Gold, . . .	15,189,365	358,500	454,000	3,619,000	7,500,000
Silver, . . .	8,418,700	1,620,000	1,192,000	1,456,500	206,000
<b>CHARLOTTE.</b> — Gold, . . .	1,656,060	364,330	361,299	347,791	217,934
<b>DALLONBGA.</b> — Gold, . . .	3,218,017	271,752	244,130	258,502	190,152
<b>Total,</b> . . . . .	\$ 145,117,295	\$ 5,879,720	\$ 11,164,685	\$ 33,892,306	\$ 43,909,916
	Total, \$ 239,963,933.				

GOLD, OF DOMESTIC PRODUCTION, DEPOSITED AT THE MINTS TO SEPT.  
30, 1851.

	To 1847.	Year 1848.	Year 1849.	Year 1850.	9 months 1851.
<b>PHILADELPHIA.</b> — California, . . .		\$ 44,177	\$ 5,481,439	\$ 31,667,505	\$ 31,300,105
Other, . . .	\$ 7,797,141	197,367	285,653	122,901	98,340
<b>NEW ORLEANS.</b> — California, . . .		1,124	689,921	4,575,767	6,310,462
Other, . . .	119,899	11,469	7,268	4,454	885
<b>CHARLOTTE.</b> — California, . . .					12,805
Other, . . .	1,673,718	370,785	390,732	320,289	202,256
<b>DALLONBGA.</b> — California, . . .				30,025	70,925
Other, . . .	3,218,017	271,752	244,131	217,673	129,376
<b>Totals,</b> . . . . .	\$ 12,808,575	\$ 896,675	\$ 7,079,144	\$ 36,938,314	\$ 38,125,154
California Gold, . . . . .		\$ 645,301	\$ 6,151,360	\$ 36,273,097	\$ 37,694,297
Other domestic, . . . . .	\$ 12,808,575	51,374	927,784	665,217	430,857

**COMMERCIAL AND RAILROAD BANK OF VICKSBURG.** — Several years since, the sheriff of this county, and *ex officio* tax-collector, levied upon the assets of the Commercial and Railroad Bank of Vicksburg, for the State and county taxes (over \$100,000) assessed against the Bank. To prevent a sale of the assets, an injunction was sued out by the bank. The cause was argued, and Chancellor Cocke, a few days since, delivered the opinion of the court, and dissolved the injunction. We presume that the case will be taken up. If it is not, a very large amount of assets will be sold by the sheriff. — *Vicksburg Whig*.

## THE FINANCES OF EUROPEAN GOVERNMENTS.

STATISTICAL TABLES OF EUROPEAN FINANCE, — SHOWING THE POPULATION, DEBT, ARMY, NAVAL FORCE, AND GUNS OF THE SEVERAL STATES OR NATIONS OF EUROPE; WITH COMPARATIVE TABLES OF REVENUE.

From the London Correspondent of the National Intelligencer.

LONDON, *September 25, 1851.*

THE countries of Europe are burdened at this time with an aggregate national debt of £ 1,735,056,000 sterling, of which Great Britain owes nearly one half; there is also in circulation in Europe no less than £ 189,214,278 in paper money, taken and held upon the credit of the property in the countries in which it is used. Europe is therefore mortgaged to the amount of £ 1,924,270,278, constituting a debt of very nearly £ 7 2s. due from every man, woman, or child which it contains, or, reckoning five to a family, of £ 35 10s. upon each head of a family. Every child comes into the world liable to that encumbrance; every person goes out of it with that liability undischarged. This is a curious state of things; but we think the following tables, drawn from authentic sources, will substantiate it. How has it been brought about? Since every country in Europe has, and has had for centuries, a government of some kind or other, it is very clear that the present position is the work of those governments. How has the amount of debt been incurred? In great measure, nay, almost entirely, through the wars entered into and waged by those governments against each other, either to resent alleged national wrongs, or to gratify national pride, or promote national aggrandizement; or, in some countries, to indulge the ambition of emperors and kings, and the schemes of cabinets and prime-ministers. Again, a considerable portion of this debt has been created by the maintenance of large armies in time of peace. At the present moment there are no less than 2,773,833 men under arms in Europe, all of whom are consumers of the produce of others, without adding to the general stock in any way whatever. To pay the interest of this aggregated national debt; to support the large standing armies; to fit out and man and maintain 2,703 vessels of war; to support the dignity of courts; to meet the expenditures of princes; to provide for the dispensation of the laws, and the administration of justice, and for all the other purposes for which governments are and should be instituted, a revenue of £ 232,000,000 is annually raised in Europe, constituting a tax for the support of government of £ 0 17s. 2d. upon every person living there. This amount may appear small when thus divided among the entire population of Europe; but when the annexed table is looked at, it will be found that it bears very hard upon some of the principal countries. Can this amount of national debt be much increased? We think not. There is a point at which the capability of a nation to bear additional burdens must cease. Communities are subject to the same law as individuals in this respect. This lesson, we think, has been learned by some of those who sway the destinies of nations, and we think others

are fast learning it. Besides the inability of the nation, there is also the enlightenment of the people to contend against, and both combined will, we think, prolong the present state of European peace. But to the tables we have spoken of. The first is compiled from one given in the *Kolner Zeitung*.

State or Nation.	Debt in Prussian Dollars.	Men in Army.	Vessels in Fleet.	Guns.	Population.
Great Britain and Ireland, .	5,000,000,000	128,000	678	18,000	27,500,000
Spain, . . . . .	1,300,000,000	160,000	50	721	13,000,000
Austria, . . . . .	1,100,000,000	500,000	a 156	600	36,000,000
Russia, . . . . .	733,000,000	700,000	b 615	7,000	70,000,000
Holland, . . . . .	731,000,000	50,000	125	2,500	3,500,000
Prussia, . . . . .	180,000,000	c 121,000	47	114	17,000,000
France, . . . . .	1,330,000,000	285,463	328	8,000	36,000,000
Belgium, . . . . .	165,000,000	90,000	5	36	5,000,000
Portugal, . . . . .	160,000,000	38,000	36	700	3,500,000
Papal States, . . . . .	130,000,000	19,000	5	24	3,200,000
Sardinia, . . . . .	120,000,000	28,000	60	900	4,250,000
Naples, . . . . .	100,000,000	43,000	15	484	8,500,000
Bavaria, . . . . .	82,000,000	57,000	. .	. .	5,000,000
Denmark, . . . . .	80,000,000	20,000	33	1,120	2,750,000
Saxony, . . . . .	43,500,000	25,000	. .	. .	2,000,000
Turkey, . . . . .	40,000,000	220,000	66	800	12,500,000
Hamburg, . . . . .	34,000,000	1,800	. .	. .	170,000
Baden, . . . . .	33,000,000	18,000	. .	. .	1,500,000
Hanover, . . . . .	30,368,000	21,000	. .	. .	2,000,000
Wurtemberg, . . . . .	28,000,000	19,000	. .	. .	2,000,000
Greece, . . . . .	25,000,000	8,900	34	131	1,000,000
Mecklenburg, . . . . .	10,000,000	4,700	. .	. .	540,000
Tuscany, . . . . .	10,000,000	10,000	10	15	1,700,000
Frankfort, . . . . .	7,000,000	1,300	. .	. .	65,000
Brunswick, . . . . .	6,800,000	3,000	. .	. .	300,000
Duchy of Hesse, . . . . .	6,200,000	42,000	. .	. .	900,000
Electoral Hesse, . . . . .	6,000,000	11,000	. .	. .	800,000
Lubeck, . . . . .	6,000,000	490	. .	. .	60,000
Saxe-Weimar, . . . . .	4,000,000	2,000	. .	. .	75,000
Schleswick, &c., . . . . .	4,000,000	. .	. .	. .	650,000
Anhalt, . . . . .	3,500,000	700	. .	. .	d 150,000
Bremen, . . . . .	3,000,000	500	. .	. .	80,000
Saxe-Coburg, . . . . .	2,566,000	1,200	. .	. .	160,000
Saxe-Meiningen, . . . . .	2,500,000	2,400	. .	. .	280,000
Naumau, . . . . .	2,000,000	3,500	. .	. .	425,000
Parma, . . . . .	1,800,000	5,000	. .	. .	600,000
Anhalt, . . . . .	1,500,000	380	. .	. .	80,000
Saxe-Altenburg, . . . . .	1,500,000	1,000	. .	. .	150,000
Norway, . . . . .	1,500,000	23,000	160	560	1,200,000
Oldenburg, . . . . .	1,200,000	600	. .	. .	80,000
Hesse-Hornburg, . . . . .	880,000	350	. .	. .	25,000
Schwarzburg, . . . . .	250,000	540	. .	. .	60,000
Sweden, . . . . .	. . . . .	34,000	340	2,400	3,500,000
Modena, . . . . .	. . . . .	3,500	. .	. .	625,000
Lippe-Deismold, . . . . .	. . . . .	820	. .	. .	110,000
Ruess, . . . . .	. . . . .	750	. .	. .	130,000
Waldeck, . . . . .	. . . . .	820	. .	. .	60,000
Switzerland, . . . . .	. . . . .	62,500	. .	. .	2,500,000
San Marino, . . . . .	. . . . .	. . .	. .	. .	8,000

a, including gun-boats; b, 175 vessels, 440 gun-boats; c, war-footing, 492,000; d, includes the three divisions of Anhalt.

The totals of the preceding columns sum up thus : —

Debt, . . . . .	£ 11,567,044,000	Guns, . . . . .	44,105
Men in army, . . . . .	2,773,833	Population, . . . . .	271,403,000
Vessels in fleet, . . . . .	2,763		

In addition to these, the Danubian Principalities, with a population of 1,750,000, maintain an army of 6,800 men, and pay an annual tribute of 3,000,000 piastres to Turkey. Servia, with a population of 1,000,000, maintains an army of 3,000, and pays an annual tribute of 2,000,000 piastres to Turkey. The debts of the various nations are expressed in Prussian dollars, whose current value is 3*s.* English. According to the above table, the national debt of Europe, divided among the inhabitants, makes each person indebted \$ 42.5 or £ 6 7*s.* 6*d.*, or each head of a family about £ 30 in debt; whilst the standing armies of Europe make one out of every twenty of the adult and able male population a soldier. There are, besides, the seamen requisite to man 2,763 vessels of war.

There is another very important view to be taken of this subject, and that is the amount which the labor and industry of the people and the resources of the countries of Europe are taxed, in consequence of the system which has been carried on, either through the ambition or the tyranny of their rulers, or the turbulence and irregularities of the people. The following brief table, comprehending some of the principal countries in Europe, will, in some degree, present this view.

<i>Countries.</i>	<i>Revenue.</i>	<i>Proportion</i>	<i>Proportion</i>
		<i>raised per</i> <i>Head.</i>	<i>paid by each</i> <i>Family.</i>
		£ <i>s.</i> <i>d.</i>	£ <i>s.</i> <i>d.</i>
Great Britain, . . . . .	£ 50,000,000	1 16 4	8 1 8
France, . . . . .	67,000,000	1 17 6	9 8 6
Austria, . . . . .	£ 100,000,000	0 8 4	2 1 8
Prussia, . . . . .	60,000,000	0 10 7	2 12 11
Russia, . . . . .	110,000,000	0 4 8	1 3 4
Holland, . . . . .	40,000,000	1 14 3	7 11 3
Belgium, . . . . .	31,000,000	0 18 7	4 12 11
Spain, . . . . .	80,000,000	0 18 5	4 12 1
Portugal, . . . . .	18,000,000	0 15 5	3 17 1
Denmark, . . . . .	12,500,000	0 13 7	3 7 11
Sweden, . . . . .	10,500,000	0 6 8	1 13 4
Papal States, . . . . .	15,000,000	0 14 1	3 10 5
Naples, . . . . .	31,000,000	0 10 11	2 12 7
Tuscany, . . . . .	18,000,000	1 11 9	7 18 9
Sardinia, . . . . .	22,000,000	0 15 6	3 17 6
Turkey, . . . . .	17,000,000	0 4 1	1 0 5
Switzerland, . . . . .	400,000	0 0 5½	0 2 4½
San Marino, . . . . .	8,820	0 3 4	0 16 8

We have no means of calculating what proportion of the revenue raised in each country is expended in paying the interest of the national debt, or how much is employed in paying the expenses of the government, how much for domestic purposes, or in improvement of the country; but when we are furnished with, as the tables given do furnish, the amount of national debt, that of annual revenue, the number of the people, and that of the standing army, with the *entire* amount of revenue raised from each person and each head of a family, we may form a pretty good idea of the state of a country, particularly when we add

to these materials the knowledge we possess of the internal resources, and the commerce, manufactures, and position of the various countries, as constituting their ability to bear taxation. Thus, for instance, we are told by our political economists, that the total annual income of Great Britain, arising from property and employment and industry of every kind, is £ 550,000,000 ; the amount of taxation is, in round numbers, about £ 50,000,000, or one eleventh part of the income ; therefore, the average amount of taxation in Great Britain is one eleventh of a person's income.

Again, in France the annual amount arising from incomes and employments of all kinds is estimated as being £ 320,000,000. The annual amount of taxation or of revenue raised for the purposes of government we have taken at £ 67,000,000, but it is estimated as being £ 70,000,000. At the lesser amount, however, it is more than one fifth of the entire income of the country. The Frenchman, therefore, pays one fifth of his income and earnings to support the government, the Englishman only one eleventh. If we knew the entire annual income of all the countries in our table, we could make a similar comparison, and we should find in some of them a much higher proportion paid for the support of government than is paid in France. The subject is highly suggestive, but we will not pursue it further at present.

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## FINANCIAL EMBARRASSMENTS OF THE EUROPEAN POWERS.

From the London Times, October 7.

THERE can be no stronger proof of the exceptional and precarious state of Europe, than the almost universal financial embarrassments of the Continental powers. With the exception of Holland, whose budget for 1852 displays a surplus of upwards of three million florins over the actual expenditure, and this country, where the public revenue has undergone the largest amount of reductions without diminishing the resources of the state, it may be doubted whether there be any government in Europe not living beyond its means ; and although the world is at peace, with no extraordinary causes to exhaust the public purse, except the dread of revolution or the passion for vast industrial speculations, the revenues of foreign nations are everywhere strained to the highest pitch of taxation, and continual appeals are made to credit to support a structure which rests upon this unsound foundation. This state of things is common to the most opposite forms of government and the most distinct interests. If we remember rightly, it was the French republic that began the series of loans which have followed each other with a rapidity only known before in the height of war, and then only known to the people of this country, who backed the bills of every class of their allies. The Revolution of 1848 found France in a position

VOL. I.

42

of financial tension, relying on the continuance of the prosperity she had enjoyed for the preceding ten years. When that prosperity was abruptly interrupted, the liquidation of her outstanding engagements could only be met, and was met only in part, by an enormous extraordinary contribution, a loan as soon as the credit of the republic was somewhat restored, and a constant augmentation of the floating debt, which is still going on. France was followed by Russia, and, in spite of Mr. Cobden, the Russian loan has proved the only one of these recent speculations which found much favor with the capitalists of this country, because its object was definite, and its amount small in comparison to the resources of the empire. The negotiation of that loan was, in fact, to the Russian government, more an object of convenience than of necessity. The lesser states, which had been actively engaged in war, Sardinia by her own folly, and Denmark by the folly of her assailants, were the next candidates for relief, and their wants were likewise supplied on not unfavorable terms. The Pope was compelled, on his return to Rome, to throw himself on the mercy of the Jews, and obtained with difficulty a sum sufficient to buy up the spurious notes of the Roman republic, and to put a few *bajocchi* in circulation in the Holy City. Prussia had flung away thirty millions of dollars on an absurd bravado; and though her finances are still in a better condition than those of many of her neighbors, from the care with which they had been administered in former years, the efficiency of her army, the value of her paper currency, and the continuance of her public works, depend mainly on the credit she may find either at home or abroad. Austria had been laboring throughout the present century with all the evils of financial embarrassment, — an inadequate revenue, a vicious and depreciated currency, and a system of taxation at once oppressive to the people and unproductive to the state. The convulsion of 1848, which imposed upon her the necessity of enormous military efforts in Italy, Hungary, and at home, found her in this state. It is surprising that means were found at all to perform all that was required of her, or that her ministers had chosen to undertake. But somehow or other the thing was done, and the consequence is, that eight millions sterling are now urgently required to carry on the service of the Empire, though, in spite of the exertions of the finance department and the Vienna bankers, not much more than half this money is at present forthcoming.

Many circumstances have conspired to facilitate these financial operations, which would have appeared impossible at any former period. Money has been abundant during the greater part of the time, at least since the Continent recovered from the first shock of the revolution, and the first dread of general war. The moneyed interest is so closely united in all parts of Europe by the intercourse of a long peace, that, although the borrowers consist of every race and government on the Continent, they may be said to bank with the same firm; and the amount of capital engaged in this manner is already so large, that the leading houses, by whom these advances have been made, are compelled, in self-defence, to make further sacrifices to avoid a catastrophe by which they would be the chief sufferers. The same machinery is, in

fact, applied to the cause of liberty and the cause of absolutism, — to dethrone a sovereign in one place, or to restore him in another ; and as pecuniary resources are the indispensable conditions of all these undertakings, the political operations we are called upon to witness rest, in a great measure, on means of action foreign to the country in which they occur, — a circumstance which tends to make governments independent of public opinion in the countries they govern, as long as they retain any credit abroad.

But though governments may borrow money, and capitalists may advance it, if these operations are any thing more than fictitious contracts or stock-jobbing bargains, the nation itself, in whose name they are made, finds itself permanently encumbered by these dangerous expedients to meet the evil of the day. Nothing is ordinarily done with more levity by a minister, or even voted with more carelessness by a public assembly, than the issue of a loan, which enables men to provide against their own difficulties by assigning the chief burden of them to posterity, and so either cheating their creditors or encumbering their heirs. But the facility with which such transactions may be conducted in our times is one of the most alarming features in the case, both because it enables and encourages governments to do what they have no means of doing from their positive resources, and because it places large amounts of private property in jeopardy. Under circumstances of far less gravity than those now impending over Europe, what incalculable sums have been lost by British bondholders, from the rashness and misplaced liberality with which loans were advanced a few years back to every state then struggling for independence or constitutional government. The reiterated demands of the more absolute powers for money to keep up their system of military defence against the revolution are, on the face of them, less worthy of confidence, since they find themselves engaged in this struggle at a time when their ordinary revenues were already completely appropriated, and they have found no means to improve their *bonâ fide* resources.

It is impossible to witness this state of things, which exists but too extensively over the Continent, without arriving at the conclusion that governments, relying for their existence on such extrinsic support, contain within themselves a principle of destruction. During war such efforts and sacrifices may be, and, indeed, must be made ; but every war is carried on with the hope that each campaign will be the last, that each successive loan will enable the belligerents to bring the contest to a close, and that the balance of the public finances will again be restored. It is not so when war is smothered in the heart of the people, and governments are in arms against vast bodies of their own subjects. Nay, the very causes of that hostility, and the elements of popular discontent, are continually aggravated by the means thus employed to repress them ; and this avalanche of debt must one day crush those who roll it along. It is probable, indeed, and this is one of the most curious features in the case, that fresh popular revolutions, even if they were successful, would not at once be followed by greater economy in government, or by a judicious limitation of public expenditure. On the con-



trary, we have seen that the ambition or inexperience of democratic governments in Europe leads to an enormous amount of prodigality. But whether by absolutism or by democracy, these excesses are a constant cause of instability to existing governments, and of danger to those which are to succeed them. They are an embarrassment now, they will be ruin hereafter; and no form of government can discharge its primary duties to a nation which fails to preserve the balance between its revenue and its expenditure, to enlarge the former by giving freedom to industry, and to reduce the latter within the real resources of the country.

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### THE CRISIS OF 1852 IN EUROPE.

From the *London Standard of Freedom*, October 4, 1851.

THE French are busy preparing for 1852. Many families usually resident in Paris have made their arrangements to remain in the country this winter. From Jersey we learn that families are arriving there, who intend to reside out of France until the crisis is over. M. Leon Faucher, the Minister of the Interior, has summoned the prefects and sub-prefects around him, and lectured them respecting their duties, and cautioned them on no pretext whatever, except a summons of the government, to abandon their districts. The effect of the ordinance against foreigners would be (if it were practicable, which it is not) to give the police a knowledge of every foreigner in the department of the Seine.

Will the solution be violent or peaceable? Nearly every body anticipates violence. Fear is the prevailing feeling. But there are not wanting men entitled to attention who think things may pass off peaceably. Lord Palmerston, indeed, compares the fears respecting the crisis of 1852 with the horrors which it was predicted would issue out of the Great Exhibition of 1851. Certainly the fears respecting the Exhibition have been memorably falsified, and undoubtedly they were entertained by a very different class of persons from those who look with apprehension to the perplexities and confusions of 1852. Those never seemed very reasonable fears which proceeded on the supposition that the most intelligent persons of the present generation of the world could not meet in London for a most beautiful and peaceful demonstration without causing scenes of riot and bloodshed. But the fears of the most thoughtful and hopeful observers of public affairs in respect to 1852 have a real and practical basis in the difficulties which must really be encountered in France.

Will Louis Napoleon quietly leave the Elysée National in which he now lodges? After being thrice an insurgent, after an election by six millions of suffrages, after four years of power, will the man who proclaimed himself Napoleon the Second gently subside into the rôle of a private gentleman embarrassed by pecuniary difficulties? It is very generally believed he will. No men are more likely to know his intentions

than Lords Normanby and Palmerston. If Lord Palmerston has good reasons for believing in such an exercise of the virtue of abnegation, the noble Foreign Secretary may be right in expecting 1852 to be a peaceful year. Should this be so, the *prestige* of the name of Bonaparte will, by a strange reverse and contrast of influences, have rendered memorable services to the peace of Europe. Republican France ought to build a bridge of gold for the retreat of this Pretender-President.

But he is to be followed by another. The French republic cannot be satisfied without a prince at the head of it. The candidature of the Prince de Joinville is serious. He has many friends in France. It is said he would be a very republican President. The newspapers quote very generally his declarations in favor of universal suffrage. "It has been proved to him," he says, "that it is favorable to order and property"; and "an authority which speaks in the name of universal suffrage he declares is the only one which can save the country." It would be an odd thing if the suffrage were to be restored by a Bourbon, after being restricted by a Bonaparte!

The restoration of universal suffrage would prevent the expected evils. It alone can create an authority able to dominate the crisis. In May, 1852, three or four, it may be five millions of men, who have three times voted as citizens, will find themselves excluded from the suffrage as the "vile multitude." Will they submit to it? Should they do it, the event would be one of the most curious in history. Such Frenchmen would be miracles of self-denial. The expectation of it, on which the law of the 31st of May rests, seems to us a superstitious delusion of the grossest description. There are Frenchmen who believe in the cabbage of Rose Tamisier, which was large enough to feed a whole convent; and in pictures of Madonnas which bleed and wink; but the political superstition of the men like Faucher, Molé, Guizot, Montalembert, and Falloux, who deem it safe at once to disfranchise 5,000,000 of men, is a much wilder and sillier stage of imbecile credulity. This delusion supposes that the people are not flesh and blood, but dead wood. The restricted suffrage has been well described as an infernal machine for kindling civil war in all parts of France. Lord Palmerston may know that this machine will be abolished when the National Assembly meet in November. We do not know it. We therefore fear the machine may do its work. The noble lord and his colleagues, we remember, were among the number of those to whom the events of 1848 were a surprise. We were not.

Necessity may compel the royalist factions of France to combine in favor of the candidature of the Prince de Joinville. Meanwhile, we notice two circumstances which show strikingly the hold which manhood suffrage has obtained on the French people. The candidate of the Bourbonists at present is Larochejacquelin, and of the Orleanists, Joinville; and both are persons who have declared themselves strongly in favor of universal suffrage. This institution is justly regarded by the clearest thinkers in France as the cork of safety for the country, not merely during a deluge, as in 1848, but by the prevention of deluges.

In sixty years the hereditary principle has failed four times in France. It brought Louis the Sixteenth to the block, it ruined Bonaparte, and it crumbled down under Charles the Tenth and Louis Philippe. Yet clever men are to be found who cannot rid their minds of the prejudice which deems it a basis of stability and prosperity. The first republic of France did not feel it was betrayed and suppressed. The sovereignty of the people has never failed. Wherever it reigns, there are security and prosperity. In June, 1848, it withstood the most serious shock any government of modern times has ever had to sustain. In respect of fighting, nothing occurred on the Continent like the five days of Paris; and Cavaignac was victorious in the name of universal suffrage.

On the whole, Lord Palmerston prophesies a peaceful year, and we hope he is right; but we cannot see any path to it except that which to him and his friends is an object of aversion and scorn,—the way of universal suffrage.

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### MISCELLANEOUS.

**SEALING-WAX ON CALIFORNIA LETTERS.**—The *National Intelligencer* says:—“Our governmental departments have received official information from San Francisco that letters frequently reach there with the envelopes partially torn off, and the address mutilated, in consequence of the practice of using sealing-wax to secure the envelopes. In passing through the tropics the wax is invariably melted so as to destroy all semblance of a seal, and not unfrequently so as to adhere to the letter beneath it, and cause the injury or destruction of the address in separating the two. The Postmaster-General therefore recommends to all persons having correspondence with California, and other parts of the coast of the Pacific Ocean, to discontinue the use of wax in sealing their letters or other papers.”

**UNITED STATES BANK.**—The United States Bank stock has been resuscitated; 20,000 shares sold to-day in the market at private sale for \$2 per share, and at Philadelphia, it appears, there have been considerable sales, having advanced from \$1 to \$1½, \$1¾, and closing yesterday at \$2.

The cause of this sudden rise is supposed to be in consequence of large orders from Europe,—from Messrs. Hope & Co., and others, who now purchase to average the stock long held by them, costing, some of it, as high as \$130 per share. It is well known that these parties have been purchasing this stock for some time past, for what ultimate object is not known.

Other rumors are in the street, to the effect that the bank holds large tracts of land in Illinois, which are likely to be much enhanced in value by the anticipated success of R. J. Walker in obtaining the twenty million loan, on account of the Illinois Railroad, which will pass through these lands. This rumor is of slight importance, as we learn that the bank has disposed of the greater portion of these lands.

Those intimately acquainted with the present condition of the Bank assert that the stock is entirely valueless; but whether this is so, or whether there is some secret movement on foot, or an improved condition of the assets of the bank, known to but few, we are unable to say.

Some parties hint that it is the purpose of the foreign stockholders to take the charter, and pay in new capital, or to liquidate or compromise the claims against the bank, and thus rescue the assets from the hands of the numerous receivers and assignees, to whom large salaries are now paid. We do not place any confidence in this rumor, but stranger things than this might occur.—*Philadelphia United States Gazette*.

**SPANISH FINANCE.** — Between 1828 and 1836 Spain contracted nine foreign loans, amounting to  $44\frac{1}{2}$  millions of five per cent. active stock, the annual charge on which was £ 2,212,500, — and there has accrued in unpaid dividends upon those loans  $38\frac{1}{2}$  millions of pounds sterling (this is exclusive of £ 3,075,000 loss on the active, which was made into deferred stock in 1834, and has since been redrawn into active in twelve drawings). The following account will show what has been done with these loans and dividends.

I. The loans, i. e.  $44\frac{1}{2}$  millions of active stock. In 1834, 11 millions were made into passive stock, — which pays no interest and carries no coupons, — the annual loss to the holders on which is £ 550,000, and in the seventeen years which have since expired, £ 9,350,000 has been taken from them.

The present Finance Minister converts the remaining  $33\frac{1}{2}$  millions into a one per cent. stock, by which there is a loss per annum of £ 1,330,000. So that  $44\frac{1}{2}$  millions of five per cent. stock, with £ 2,212,500 per annum interest, is reduced to 11 millions of passive (which pays no interest) and  $33\frac{1}{2}$  millions of one per cents, which are to pay £ 332,500 (at least for the next four years, and then to be gradually increased for nineteen years).

II. What has been done with the overdue interest? There has accrued on the active stock  $38\frac{1}{2}$  millions in pounds sterling of unpaid dividends, which have been disposed of in the following manner: — In 1834, £ 10,500,000 were made deferred stock; in 1836, £ 750,000, i. e. half a year's interest, due November, 1835, were made into treasury bonds, — three per cents; in 1840, £ 6,750,000 were made into three per cents; in 1851, £ 10,250,000 are to be made into one per cents, and £ 10,250,000 are to be confiscated by Bravo Murillo.

Thus £ 38,500,000 of dividend money, the interest on which, reckoned even as active stock at 5 per cent., is £ 1,925,000 per annum, is reduced to £ 327,500 per annum, and which is to accrue from £ 7,500,000 of three per cents, and £ 10,250,000 of one per cents, being all that remains of £ 38,500,000, which was agreed to be paid in hard dollars. The just claims, then, of the foreign bond-holder for interest on £ 44,250,000 of stock, and £ 38,500,000 of interest, is £ 4,137,500; instead of which he is now offered £ 660,000 per annum, and a confiscation of £ 10,250,000 of coupons.

N. B. The revenue of Spain is now double what it was when the loans were made, and the 75th article of the Spanish constitution runs thus: — “The debt of Spain is under the special guaranty of the Spanish nation.”

**FRANCE. THE CRISIS.** — Mr. Walsh, the Paris correspondent of the *Journal of Commerce*, writes in a gloomy strain respecting coming events in France. He has been in Paris for many years past, and has access to the best sources of information. In a letter written to that paper on the 16th of September, he says: —

“That great events are just before us is certain. The crisis of which I have often spoken to you is drawing very near. Between the 16th day of September and the middle or end of next May the destinies of Europe for probably half a century — which in these days is a very long time — will be decided. A fierce struggle, — it may be a most desperate and bloody struggle, — between liberty, civil and religious, on the one hand, and hoary despotism in politics and religion on the other. What will be the issue? God alone knows!

“I find that there is a wonderful activity here in the political world. The foreign ambassadors, especially those of Austria, Prussia, and Russia, have frequent conferences, and are constantly sending and receiving despatches. Nor are the ministers resident of the smaller powers — such as Sardinia, Naples, Spain, the States of the Church, Belgium, and Holland — idle. Those of England and the United States are wide awake, and the former has not little to do to look after these Continental states, and the movements of their rulers.”

**TEXAS DEBT.** — According to a report from the Comptroller of the State of Texas, the ascertained value of the first class debt is \$ 3,711,821.76; of the second and third class, \$ 921,246.93. The *Austin Gazette* says: —

“As many claims are filed which have not yet been examined, it is not improbable that the amount may be reduced below these figures. Of the first class debt, all, except \$ 64,175, falls within that description of our debt for which the President has decided that the revenues were pledged, upon the satisfaction of which he makes the issues of the reserved five millions dependent.

“The entire debt, ascertained under the provisions of the act of 1848, for that purpose, amounts to the sum of \$ 4,630,066.79. The ostensible amount is not stated.”

**KENSINGTON BANK.** — Complaint has been made in some quarters of the recent act of the stockholders of the Kensington Bank, in presenting to Charles Keen, Esq. (Cashier) a service of plate, as a testimonial of their appreciation of his long and well-tried services in their behalf; and it has been argued that the act is unjust and oppressive to those stockholders who were not present. We differ from this opinion, conceiving that every stockholder is bound to be present, or to be represented, at such meetings. The voting a service of plate to Mr. Keen was perfectly legitimate on the part of those present, and was looked upon by them as an act which would benefit themselves and other stockholders by encouraging Mr. Keen to remain in his old position as cashier, as it was well known that his earnest desire is, and has been for some time, to retire from the post. He has held this position during the whole period of the bank's existence, — nearly thirty years, — and has at all times proved himself prompt, active, and efficient. This testimonial has been compared to others of a similar nature, in times past, where the parties did not deserve such tokens, and because one or two such instances can be found, *all* such pleasant and proper expressions of respect and appreciation are interdicted. The Kensington Bank is regarded as a "pet" by its stockholders, and all the business men in that section of Philadelphia who deal with it. It has done a vast deal of good, and it is an acknowledgment of the benefits conferred by the policy pursued by Mr. Keen, that this expression of regard has been made to him; and we have been wrongly informed, if a stockholder can be found who objects to it. Those who know Mr. Keen are fully aware that the salary he receives is not an adequate compensation for his time and labor, and that his remaining in the bank is quite a sacrifice to himself in many respects. How appropriate, then, is this act of the stockholders, intended, as it is, to cheer him in his future efforts. — *United States Gazette.*

**THE COTTON TRADE.** — We lay before our readers some important facts concerning the cotton trade, derived from a conversation, this morning, with a gentleman from Mobile, of large experience in the trade. It is his opinion that the cotton crop will reach at least 2,700,000 bales, or that this amount will be sent to market before the 1st of July next. This, at the lowest calculation, will amount to \$80,000,000. The greater part of this crop will go forward, as in past years, during the months of December, January, and February. The season, thus far, is unusually backward, scarcely any cotton having yet arrived at Charleston, Savannah, or Mobile, owing to the low water in the rivers. At New Orleans, receipts have not been kept back so much on this account, although Red River and various tributaries of the Mississippi have been very low.

The tightness of the money market, and the difficulty of negotiating bills on the North, and sterling, have thus far prevented operations to any extent. From the foregoing, taken in connection with the fact of the continued high prices of exchanges in Charleston, Savannah, &c., we can easily account for the absence of the usual supply of sterling, and a consequent shipment of coin to Europe. That these shipments will continue to any considerable extent, after the close of the present month, is beyond the bounds of reasonable probability. — *Philadelphia North American.*

**BANK-NOTE PAPER.** — So many new counterfeits are making their appearance in every section of the country, that the plan of Mr. Atwater, of New Haven, for the prevention of the alteration of notes, &c., from a low to a higher denomination, is eminently worthy of the attention of banks and bankers. The following is a description of Mr. Atwater's "safety note": — "Borders on the end of the note in addition to the figures which indicate the value of the note, — a single border for a one-dollar bill, — two borders for two dollars, — and five for five dollars. These are at the left hand of the bill. For a ten-dollar note there is a single border on the *right* hand of the bill, — two borders for a twenty-dollar note, — and so on. They are further distinguishable by borders on the bottom. These borders change the position of the names of the president and cashier, and also of other parts of the bill, so that the general appearance of each denomination is entirely different from every other, — although the pictures, figures, and writings may be precisely the same."

**FROM A VIRGINIA CASHIER.** — "From an experience of more than thirty years as a bank officer, I am decidedly of opinion that the only proper basis of bank circulation is gold and silver coin, or commercial paper, — paper that will command it at maturity."

## BANK ITEMS.

**MASSACHUSETTS.** — The Hadley Falls Bank, at Holyoke, commenced business on Monday, November 3, with a capital of \$100,000. President, Chauncey B. Rising, Esq.; Cashier, J. R. Warriner, Esq. The notes of the new bank have been engraved in the first style of the art, by Messrs. Danforth, Bald, & Co. of Philadelphia. Such workmanship cannot be successfully counterfeited.

**Boston.** — Samuel M. Allen, Esq., has been elected President of the Cochituate Bank, in place of Symmes Gardner, Esq., resigned.

**RHODE ISLAND.** — The following banks have recently gone into operation in this State.

Providence, Bank of Commerce.

" Bank of America.

Woonsocket, Railroad Bank.

Cumberland, Citizens' Bank.

Wakefield, Bank of the South County.

Pascoag, Granite Bank.

The names of president and cashier and capital of the above will be found in the General Bank List contained in the *Bankers' Almanac* for 1852, now ready for publication.

Changes have recently taken place in the following banks:—Bank of Bristol; Cranston Bank; Wakefield Bank; Citizens' Union Bank; Centreville Bank; Hopkinton Bank; Exchange Bank, Providence: all which will be found fully enumerated in the *Almanac*.

**CONNECTICUT.** — The Merchants' Bank, chartered by the last legislature, commenced business on the 1st of November, with a capital of \$250,000, being one half the amount authorized. The Board of Directors consists of influential men, selected from the various branches of trade, under whose control the bank will pursue a strictly legitimate business. President, Nathan Peck, Jr., Esq.; Cashier, Samuel K. Satterlee, Esq., late of the Farmers' Bank, Bridgeport.

**NEW YORK.** — The Grocers' Bank commenced business early in November, at the corner of Barclay Street and College Place. Capital, \$500,000. President, Charles Denison, Esq.; Cashier, Samuel B. White, Esq. These gentlemen occupied similar positions, during the last two years, in the North River Bank, Greenwich Street. The Directors are Charles Denison, Edward Elsworth, M. Lazarus, James Olwell, William H. Vankleeck, Cyrus Knapp, Alfred F. Legrave, William R. Renwick, James Matthews, James E. Brush, C. H. Lillenthal, John Armstrong, Orson Blunt.

**Phenix Bank.** — During the storm of Wednesday night, November 5th, an attempt was made to enter the Phenix Bank in Wall Street, New York, by getting into the scuttle of the next building and then boring through. The operations were overheard, and a German, calling himself Rich, was found industriously at work with an auger, having bored eight or ten holes, and having with him all the useful instruments of his occupation. His confederates were on the roof and escaped, and he stated that he was in their employ. Another account states that their object was to enter Messrs. Beebe & Co.'s specie vault, which was in the same building where the robber was caught.

**Rochester.** — J. W. Burbank, Esq., was elected President of the Eagle Bank at Rochester, on the 5th of September; David Cope, Esq., Vice-President, and Charles P. Bissell, Esq., Cashier. Mr. Bissell was Cashier of the Western Bank, Springfield, during the years 1849–50.

**MARYLAND.** — James H. Carter, Esq., for seven years Cashier of the Western Bank of Baltimore, has resigned, in order to join the banking firm of Josiah Lee & Co. of that city. With a large capital and an extensive business, accumulated within the last twenty years, the firm will derive additional force from the acquisition of Mr. Carter. Mr. Robert M. Proud has been promoted to the post of Cashier in the Western Bank.

At the meeting of the Board of Directors, at which the resignation of Mr. Carter was received, it was unanimously resolved:—

"That under his management of the executive department the bank has justly at-

tained the condition and character claimed for it in his letter of resignation; whilst its business has been uniformly conducted with a liberal regard to the legitimate claims and necessities of the trading community.

"Resolved, That he is eminently entitled to the thanks of the board, the stockholders, and the customers of the bank, and that he will carry with him their best wishes for his happiness and success in the extended career upon which he is about to enter."

**Chestertown.** — The Farmers and Mechanics' Bank is about to go into operation at Chestertown, on the Eastern Shore of Maryland. George B. Westcott, Esq. has been elected President, and Samuel W. Spencer, Esq. Cashier.

**GEORGIA.** — J. Milligan, Esq. has been elected Cashier of the Georgia Railroad and Banking Company, Augusta, in place of J. W. Wilde, Esq., who has resigned and removed to San Francisco.

**MICHIGAN.** — The Macomb County Bank, of Michigan, which has been in a dormant state for some years, has been lately resuscitated by some gentlemen of Chicago and Michigan, who have purchased the charter, liquidated its old indebtedness, and paid in a capital of \$100,000, which may be increased at the pleasure of the stockholders to \$500,000. An office in connection with it will be opened at Chicago. The Board of Directors elected Elon Farnsworth, President, and H. C. Kibbe, Cashier.

**INDIANA.** — James Winslow, Esq. has been unanimously elected President of the Branch of the State Bank of Indiana at Madison, vice J. F. D. Lanier, resigned. Mr. Winslow was formerly extensively and successfully engaged in the hardware importing and jobbing business in New York, from which he retired some two years since.

**WISCONSIN AND ILLINOIS.** — In Wisconsin and Illinois the main question at issue in the recent election was the formation of a General Banking Law. In the former State the Whigs advocated it, and elected their candidate for Governor. In Illinois a law similar in its details to the General Banking Law of this State was passed upon by the electors during the present month, and the returns thus far denote its acceptance. It must be remembered, however, that the returns thus far are principally from sections of the State where the want of banking facilities is most severely felt.

**UNITED STATES BANK STOCK.** — A late rise in the market price of United States Bank stock has been observed, and it has been stated that it was owing to the anticipated improvement in the property of the bank at Cairo, upon the completion of the Illinois Central Railroad. A private letter from Amsterdam, dated October 25, has been shown to us, which probably gives the correct reason for the unusual advance in the stock. It says that the Dutch stockholders are about to appoint a committee in reference to the bank, with instructions to inquire into its condition, and adopt measures which may place them in a more favorable position than they now occupy. This movement, on being known at Amsterdam, created a lively demand for stock, which rose \$1 above the previous quotations. Orders were immediately sent to New York and Philadelphia, to buy the stock, and from this circumstance its advance in the American market is clearly to be traced. Of the special object in contemplation by the Amsterdam committee, we are not informed, but it probably has some reference to a reduction in the expenses of the trustees, and a speedy winding up of the concern. — *Evening Bulletin.*

**BANK OF THE UNITED STATES.** — In our District Court yesterday, judgment was entered against the Bank of the United States in favor of the State of Pennsylvania, for \$100,000, besides some \$8,000 to \$10,000 more of interest and costs, the judgment being for the annual bonus of the bank for which it is liable under its charter. This, we think, is the second judgment against the bank on account of bonus, and will probably dampen the ardor a little of those speculators in the stock who are buying for account of foreign capitalists, as is said with the object of resuscitating the institution. There were no sales of shares yesterday, and probably there will not be any until agents are further advised by their principal, Mr. Peter Funk, a bold and very large operator in our stock market. — *Philadelphia Ledger*, November 19.

**CANADA.** — F. A. Harper, Esq., who has ably and satisfactorily filled the situation of Cashier of the Commercial Bank, Midland District, at Kingston, Upper Canada, since its establishment in 1832, has accepted an appointment as one of the Commissioners of the Trust and Loan Company of Upper Canada. Mr. Harper is succeeded by C. S. Ross, Esq., hitherto Cashier of the Montreal Branch of the same bank.

## Notes on the Money Market.

BOSTON, NOVEMBER 25, 1851.

*Exchange on London, 60 days, 110½ to 110¾.*

THE money market for the past month has exhibited no material changes. The amount of business paper of a prime character, offered to private capitalists, has somewhat diminished, or finds ready acceptance with the banks. The pressure during the months of July, August, and September has had the effect of curtailing orders for foreign goods, and the duties collected during the present quarter are largely diminished. We find that the customs revenue for the past quarter amounted to the enormous sum of \$14,700,000; involving the importation of goods to the extent of about sixty-seven millions of dollars. It appears, also, that the aggregate imports into the United States during the past fiscal year were \$210,000,000; and the exports for the same period, \$188,000,000.

When we consider that the cotton exported last winter was rather overvalued, and that the foreign imports are notoriously undervalued to a great extent, it will be found, we think, that there is an actual balance against us, in our foreign trade of the year, equivalent to forty millions of dollars.

Nothing else can explain the large and continued shipments of coin hence to Europe; amounting, since January last, to \$39,000,000; viz. from New York, \$38,000,000, and from Boston, \$1,000,000. We maintain (notwithstanding the opinion of "Hancock," in our present No.) that credits have been too cheap and business too extended in this country during the past eighteen months.

Such has been the facility of credit abroad and the cheapness of money, and the flattering prospects induced by California gold, that our importers were led to purchase more largely than the legitimate business of the country would justify. The expansion was too great and too sudden. The custom-house duties have increased from \$28,000,000, in 1849, to \$51,000,000, in 1851; and the imports from \$147,000,000 to \$210,000,000, in the same short period. The consequence has been high rates of foreign exchange, and an export of coin at the rate of three to six millions per month.

It must be borne in mind that other branches of business expanded also during this period. Manufacturing has been largely extended, — railroad undertakings to an unusual extent, — insurance companies, city and county improvements, &c., all of which required capital. Lastly, and not the least, the banking system of the several States became extended, upon the belief that the metallic basis would become enlarged permanently. These observations apply to nearly every State in the Union. We will compare the condition of the New York banks in January, 1849, and July, 1851, although, perhaps, there the contrast is greater than in other States.

	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Due Banks.</i>	<i>Loans.</i>	<i>Specie.</i>
Jan. 1849,	\$44,000,000	\$23,000,000	\$30,000,000	\$12,000,000	\$76,000,000	\$6,817,000
July, 1851,	55,000,000	27,000,000	55,000,000	23,000,000	118,000,000	8,900,000

This expansion was based upon the conviction that our supplies of gold from California would be about fifty millions per annum, and that the bulk of it would remain in the country.

On the contrary, the New York banks have at this moment less coin than they had in June, 1849, or even in November, 1847. There has been a strife to keep the substance and the shadow both, — a vain attempt to introduce two hundred millions of foreign goods within the year, and to retain all the gold that California produced. The last four months have witnessed the results. A large number of dry goods jobbers, manufacturers, retailers, and extensive firms, whose capital was supposed to be solid and sufficient, have failed. Bankers, brokers, and stock-dealers have likewise crumbled under the increased load of obligations; and the liabilities of the banks of one State have increased from \$121,000,000, in January, 1849, to \$174,000,000, in July, 1851.

A more healthy tone of business and the restoration of confidence will soon follow the late pressure. The storm has passed, and commercial men now see the necessity of curtailing their business to such limits as their capital and facilities will sanction. Three or four months will be required to discharge that balance of foreign trade which now maintains sterling bills at 10½ premium. About three millions of coin will be required monthly for foreign export until February next, to pay for the imports of last spring and summer.

We now quote loans on demand, well secured, 7 a 9 per cent. Prime business paper, 7 a 8 per cent. in New York, and 9 per cent. in Boston. The accumulation of capital in New York, to a large extent on foreign account, furnishes facilities to business men which we do not find in Boston. The tax levied upon the banks in Massachusetts, to the extent of four hundred thousand dollars annually, is not only a drawback upon business men, but it is to a large degree a burden upon the earnings and savings of the poor, the widow, and the orphan.



The people of Illinois have confirmed, at the late election, the law of the last legislature in reference to a system of free banking. The tendency of this system in New York and Ohio, thus far, has been the creation of a large number of banks with small capitals, and the maintenance of a large circulation upon State bonds, without a due proportion of specie. The system does not possess the stability and uniformity which mark the larger and older banks in Massachusetts, New York, Kentucky, Virginia, &c. We adopt the observation of a Virginia cashier, that "from an experience of more than thirty years as a bank officer, I am decidedly of opinion that the only proper basis of bank circulation is gold and silver coin, or commercial paper that will command it at maturity."

The Illinois law authorizes the reception of Illinois State stocks for circulation, at a valuation of 20 per cent. less than the New York price during the previous six months, and not to exceed 50 per cent. of the par value of the stock. In case of failure, the Auditor of State is authorized to sell the stock at auction, for the benefit of the creditors, and the bank forfeits its privileges.

The country circulation redeemed by the Suffolk Bank, in the month of October, was \$23,800,000. Some stir has been created by the discovery that a few hundred dollars of counterfeit notes had been taken in. These were close imitations of the genuine notes issued by the Claremont Bank of New Hampshire; and such was the execution of the counterfeits, that they deceived some of the bank clerks, who are noted experts in the detection of spurious paper.

The genuine plates were executed ten years since by the New England Bank-Note Co.; and the same designs and similar work were employed for several other banks, in what are called *general plates*. These plates are used by seven different New England banks. Although this is the first successful counterfeit of the general plate, the latter mode will probably be discontinued, and each bank will select for itself new designs and order new plates, so that its notes may be readily discriminated.

Among the Quixotic schemes of the day, is the proposition of the Macon convention of cotton-planters for the establishment of a mammoth association, whose aim should be the protection of Southern interests. This proposes an organization of cotton-planters for the establishment of a bank, with \$20,000,000 capital, — added to which, extensive warehouses at Charleston, Savannah, Mobile, Apalachicola, New Orleans, &c., for the storage of Cotton, and its sale at prices limited at 10 to 12½ cents per pound.

All such combinations have the elements of dissolution within themselves. They are efforts to restrain, counteract, or alter the channels of, TRADE, and they are always sure to end in defeat. A more wise establishment would be that of manufactories for the employment of their own men, women, and children; by which the productiveness of the community in goods, wares, and merchandise could be largely promoted.

We learn from the *Charleston Courier*, that the Nashville and Chattanooga Railroad Company negotiated in that city last week \$250,000 of the bonds of the company, guaranteed by the State of Tennessee, bearing six per cent. per annum interest, *at par*; \$150,000 are said to have been taken by an eminent banking-house at Washington, and \$100,000 by a firm in another city. The State of Tennessee has always showed the most scrupulous good faith with her creditors, and her present financial condition is very prosperous. This will account for the readiness with which those bonds were sold, and the fair price obtained for them in the present condition of the money market.

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## DEATHS.

At New London, Connecticut, on Monday, November 17, John C. Slaters, Esq., aged sixty-one years, Cashier of the Union Bank in New London.

At Fayetteville, North Carolina, on the 6th of October, Ichabod Wetmore, Esq., Cashier of the Branch Bank of the State of North Carolina, at that place, in the sixtieth year of his age. ♦

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NOTICE. — The Essays furnished by various contributors for the premium offered by the publishers of this work, are now before the committee, consisting of Messrs. E. P. Clarke, J. B. Congdon, and William H. Foster. The result will be made known in our next number.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

VOL. I. NEW SERIES. JANUARY, 1852. No. VII.

SUGGESTIONS TO YOUNG CASHIERS ON THE DUTIES  
OF THEIR PROFESSION.

A PREMIUM ESSAY, WRITTEN FOR THE BANKERS' MAGAZINE.

BY LORENZO SABINE, OF FRAMINGHAM, MASS.

In September last the publisher of the Bankers' Magazine offered a premium of one hundred dollars for the best article upon the above subject by a Bank officer. Mr. E. P. Clark of the New England Bank; Mr. James B. Congdon of the Merchants' Bank, New Bedford; and Mr. William H. Foster of the Bank of Commerce, Boston, agreed to act as a Committee of Award. These gentlemen, having examined the various communications offered, have unanimously awarded the premium to the author of the following

SUGGESTIONS TO YOUNG CASHIERS ON THE DUTIES OF THEIR  
PROFESSION.

THE *Bankers' Magazine* is an instrument of good. The observation of every-day life clearly shows, that, in consequence of disastrous losses by bank failures, of sorrow and ruin to friends by the misconduct of bank officers, and of wounded feelings by reason of morose and irritable cashiers, many persons entertain strong dislike to banks, and to those who are connected with them. Such persons, forgetting that incapable, unfaithful, and disagreeable agents have been found in *all* corporations, and that bankruptcies and defalcations have occurred in every walk and pursuit, affect the sentiment of a celebrated English essayist, and say,

VOL. I.

43

that "nothing truly good can be expected from men who are ever poring over cash-books and balancing accounts."

The Magazine, then, by imparting correct information relative to the management of moneyed institutions, and by teaching bank officers that prudence, skill, and method are as essential to success as integrity, is performing a most valuable service to bankers, and to the whole community. It deserves, and should receive, the pecuniary support of every bank in the United States. So, too, I venture to say, that not only executive officers, but presidents and directors, are bound to increase its usefulness by contributing to its pages the results of their experience.

Banking has become a part of the very framework of our system of business. It exists, in some form or other, everywhere; and will continue, probably, as long as property shall be bought and sold on credit. In all coming time, therefore, we are to have a class of men to deal in money, in promissory notes, and foreign and domestic exchange. The avocation has ever been honorable, to the last degree responsible, and exposed to many and to peculiar temptations.

Wrecked and ruined bank officers are around us on every hand. The world, seemingly more inexorable with our profession than with others, deals out its direst maledictions upon those of us who err, and will hardly forgive the managers of a broken bank, or the officer whose "cash is short," even when there is no other guilt than credulity, too easy good-nature, or incapacity. To stand upon our defence against *unjust* accusations, and to do what we can to diminish the causes of corporate and of individual delinquency, are duties which we owe to ourselves and to those who are to succeed us. Dispersed, as we are, over a vast extent of country, we can only correct public sentiment, and afford counsel and admonition to one another; as well as render our knowledge of banking available as common stock, by means of the work established for, and devoted to, our benefit.

Banks with us, both public and private, differ — as none need to be told — in many things from those of England and of Continental Europe. It is known, also, that our system is far from being uniform, and that essential improvements can be made in it. Hence, whatever the value of essays upon foreign banking, papers devoted to our own are far more useful to us, regarded as a class; and hence, too, the necessity for a free interchange of thought by bankers in different parts of the Union.

Entertaining these views, I cannot but hope that the Magazine will be enriched, from time to time, not only with "Suggestions to Young Cashiers on the Duties of their Profession," but with articles on the subject of American banks and banking generally.

I pass now to topics immediately connected with the duties of a Cashier. The limits indicated do not admit of elaborate reasoning, but demand, indeed, that mere suggestions shall be made with the brevity of proverbs. I may be permitted, then, to address myself to the young officer, directly, and, as it were, personally.

You are to lead a life so confined, sedentary, and in some respects so mechanical, that, unless you observe great care, you will become, in the lapse of years, a sort of machine for computing discounts, counting

money, writing letters, and keeping books. You are to transact business, and to have constant intercourse, with men of every shade of character, of every variety of disposition, and of every degree of intelligence. Your temper is to be tried by interruptions at the most unseasonable moments, to attend to the calls of the impatient, or to answer the inquiries of the ignorant or inquisitive. You are to be tempted to embark in speculations in stocks; to be solicited to allow overdrawings and other irregularities by the companions of your social hours, and, it may be, by one or more of your own directors; and you are to have the same domestic cares and afflictions, the same personal aches and pains, as other men: and yet you are expected to be ever at your post, to be ever courteous, to stand fast in your integrity, and to seem cheerful, and even happy. In a word, and as Girard said at the decease of his old and faithful cashier, "*The bank must go on,*" whatever your private griefs, or individual disabilities. Your position is thus one of much difficulty, responsibility, and peril; and you need a knowledge of the laws of your physical being, the counsel of wise friends, strict and daily self-examination, and deep religious principle, to enable you to sustain it in health and honor. But be of good cheer; be a true man, and you will overcome every obstacle in the way of a long and of a useful life.

Your duties may be considered under various heads. And first, those which are general. Your bank has secrets; and, that they be kept inviolable, adopt a rule to speak of its affairs only to persons connected with you in its management.

You should embrace every opportunity to acquire information as to the standing of your customers; and whatever is imparted to you on the subject, whether in confidence or otherwise, should be communicated to your directors, and to them alone.

You should become acquainted with the laws relative to banking, and especially with those of your own State; and should be familiar with some work which treats of notes and bills, of the liabilities of sureties, drawers, and indorsers. I recommend, as the easiest way to obtain, and to retain, knowledge in these particulars, that you make a manual, or brief digest, with marginal references to the authorities which you consult.

If your bank is old enough to have been through "a crisis," and, if you have not served in it as an inferior officer, you have much to learn of its past business. Such an institution, for example, has a "suspended debt" account, or at best overdue paper secured by mortgage or other collateral; and assets of this description *always have a history*, and sometimes a very intricate, a very perplexing one. But you must become master of that history. Directors change every year; and, in a little time, all who were at the "board" when this class of paper was taken will have vacated their seats; while, then, some are still in the direction, make written memoranda of the principal facts.

Let it be manifest to your associates and stockholders, that you feel an interest in every thing which relates to their welfare. To work the whole of your capital and of your deposits, to keep both actively em-

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ployed at all times, and yet to be always able to meet your bills at the point of redemption, requires great wisdom; and the most skilful and experienced financiers sometimes find themselves at fault, for the moment. Still, your duty demands continual experiments to effect this great object; the recollection and correction of your own mistakes of judgment, as well as a careful eye upon *some* of your customers, who obtain discounts under promises to give your money "a good circulation."

Need I suggest the benefits of a fixed system, and of method, even in matters, seemingly, of little consequence. Every body finds — as seamen have it — that "a stern chase is a long chase." The business of to-day should never be deferred till to-morrow. Answer letters, and file papers, at the instant. Remember every thing, if possible; but, trusting to memory in nothing, let your books contain a record of all transactions. Allow no outstanding bills against the bank; and have a voucher for the smallest item charged to "expense account."

You can be, and you ought to be, ready for an "examination" by the "Commissioners," or other functionaries of the government, and of your own "board," without previous notice, and without the slightest special preparation. In fine, close your vault, daily, with the reflection, that no act has been neglected, and that, if sickness or death should occur, "the bank can go on" with no loss to your family, sureties, or stockholders. Do not smile if I add, that your banking-rooms should be swept, and your desks and counters be dusted, daily; that *one* "slut-hole" is ample for all the twine and waste-paper; and that the accumulation of official papers and memorandums in your *private* drawer will cause both you and your associates serious delays, and much inconvenience.

Panics and pressures are as certain in banking as storms in winter. When either exist, firmness and courage, if not really possessed, must be assumed. You are presumed to know the nature and extent of your resources under *all* circumstances, and at periods of general distrust especially; and if the amount of those *immediately* available are insufficient for every possible call upon you, thus advise your directors without delay. Should there be "a run for specie," pay your bill-holders the kinds of coin they ask for so cheerfully, and with so careless an air, that they shall observe no reluctance to part with it, but, on the other hand, an apparent joy to be rid of it.

A knowledge of human character is indispensable. Study it. The "actions, looks, words, and steps" of your customers "form an alphabet"; and your "eyes are spectacles to read others' hearts with." Careful, close, and continued observations will enable you to detect a counterfeit man as readily as you now do a counterfeit bank-note. My own experience is, that those who change countenance, or the weight of the body from one foot to the other, when meeting a full, searching, and fixed gaze, are not truthful; that those who ask for additional accommodations, prefacing the request with a story divided into acts like a drama, are already bankrupt; and that those who petition in whispers, in unnatural tone of voice, in a cant, or a whine, are hypocrites. Some years hence, I shall be glad to ascertain how nearly *your* experience accords with mine.

You should be courteous and respectful to all. Self-command is a great virtue. Indulgence of passion is a great fault. Impertinence and stupid ignorance might sometimes be rebuked, were it not for the danger of contracting a morose and irritable habit of speaking. There is no loss of dignity, or of self-respect, in perfect silence, under the greatest provocation, and that, accordingly, is your safest course. The cashier's popularity or unpopularity gives character to a bank. The directors are seldom visible, and sometimes unknown, to occasional customers; but their executive officer is an ever present and a known man, and should bear in mind the Latin proverb, namely, to "be cautious *what* he says, *when*, and to *whom*."

Should you acquire a reputation, you may be solicited to change your place; or, becoming discontented, may seek to do so on your own motion. In the former case, you are to consider your directors as your friends, and, stating *all* the facts fairly, obtain *their* views before taking a single step to meet the overture made to you. This is an imperative duty; and performing it in honor, and acting under the advice of wise counsellors, you can hardly come to a wrong conclusion. I assume here that your bank is sound, and that it is under the direction of competent and safe men. If unfortunately otherwise, if your reputation be at stake, and your directors, or a governing part of them, are ignorant, or regardless of the principles of banking, or are "speculators," who seek their own accommodation, you should retire at once. But upon this point I will not dwell, since it is to be hoped that such institutions and such men have nearly passed away.

In the latter case supposed, you may be discontented without cause. I remember to have read a story, in which one of the characters was in possession of every thing that heart could ask, but was miserable from this very circumstance, or because he *wanted* — a *want*. Such persons exist in real life. Be not of that unhappy class. Accommodate yourself to your condition. Do not seek for happiness in change of place, but in change of disposition. "The lazy ox wishes for the trappings of the horse, and the steed sighs for the yoke," is an old saw that has not yet lost its meaning. Nor should the topic be dismissed without recalling the pithy epitaph composed for the hypochondriac, who quacked himself into his grave, — "I was *well*; but by endeavoring to be *better* — am here." Let the young cashier heed the moral contained in these several apt sayings, and remember that care and perplexity exist everywhere. To smooth and fashion the rough stone of life is a religious duty. The change of one's home involves a change of society, of privileges of worship, of schools, of facilities in travelling, of household expenses, of access to books, and various other essentials; and should be carefully considered in every aspect before it is actually undertaken. And I bestow the more attention upon the point, because the propensity to remove from one place to another is so common, and because, within the circle of my acquaintance, many have been ruined, and but few have improved their condition, or increased their happiness, by seeking a new abode. In middle age, the experiment is doubly hazardous. Take up a full-grown tree, and will it live unless some of the old earth

go with it? Sunder the ties of sympathy and affection; exchange old faces and associations for new ones, and what is the condition of a man?

To resume my personal address to the young cashier. You should not possess an overweening desire of praise, nor invite commendation. Nor should you be intoxicated with your own merits.

You should never speak of your official acts, except in explanation and in self-defence. In all pleasantries, I will add, that, in old age, you may tell the son who succeeds you what you were in your youth; but, now, be content with the quiet appreciation of others. Delicate attentions and marks of respect are the surest and best manifestations of regard, and if you have these, do not pine in discontent or discouragement.

In your *official* intercourse with the president and directors, observe great deference; and at the "board" it may be proper to address the former by his title.

Never speak of the real or supposed faults of character of a director in the social circle, nor bear tales or remarks from one director to another. Whatever your preferences, likes, and dislikes, — and you will probably have both, — your *conduct* should be uniformly respectful to all. Whenever your opinion is asked, or given without solicitation, state your views modestly, and in a conversational tone of voice. Should the "board" differ from you in judgment, and decide contrary to your convictions, betray no feeling, but promptly and cheerfully execute their vote.

Frequent communications with the directors, relative to the general concerns of the bank and to your own particular duties, will be of essential service; since *they* will thus obtain a knowledge of details, and *you* will have the benefit of their reflections and suggestions. "Conference," says the wise Lord Bacon, "maketh a ready man."

Your style of living is a matter of momentous consequence; and, possibly, the hinge on which your final destiny will turn. Not only live within your income, but so regulate your expenses that, unavoidable misfortunes or sickness excepted, you shall be sure to save, at least, a quarter part of your salary, as a fund for old age; unless, indeed, your patrimonial estate be ample for such a purpose. But, whatever be your receipts or expectations from other sources, do not allow your expenditures to exceed your personal earnings. Be this the great economic maxim of your life.

Economy is the parent of honesty, of freedom, and of mental ease and quiet. Poverty can never enter your abode, if content with satisfying your real wants; while you will never enjoy independence, if you live in accordance with the world's caprice. If you possess an inordinate craving for great wealth, or a desire to indulge in luxuries and amusements such as men of fortune alone can afford, you have mistaken your profession, and should abandon it. For your life, if you remain in it, will be a perpetual struggle against your natural inclinations; and the danger is, that, finally yielding to them, you will involve yourself in irretrievable woe.

The road to disgrace is short: Persons who have traced the footsteps of more than one unhappy bank officer that has trodden it, have found

that **EXTRAVAGANCE** and **DEFALCATION** were but a few strides apart. A sensual man is disqualified, by his very physical organization, for *any* office in the executive department of a bank; and ought no more to be there than in a pulpit. I make the remark considerably,—for good reasons,—and not to round out a period.

“Speculation in stocks” is another fruitful source of ruin, and I cannot forbear a word of admonition. The careful investment of your earnings or patrimony, and a similar service for friends and customers, define, in my judgment, the general limits of your operations in the stock-market. To say nothing of the hopes and fears consequent upon the adventures of a dealer, and nothing of their influence upon your mind and temper,—already sufficiently tasked,—I may ask, in all seriousness, What assurance have you, what assurance can you have, that your virtue will resist the temptations sure to beset you? Once embarked and afloat on the stock exchange, either alone or with partners, you cannot move without means; and who shall answer for the money intrusted to your care? Who shall answer that you will not “borrow” from your vault,—as others have done,—feeling sure that you can “return” the sum you need “in a few days, with interest”? At the outset you will not “risk much”; you desire only “to gain something to add to a moderate salary.” But encouraged, at length, by your own success in small operations, or excited by the real or reported good-fortune of those around you, the resolution *may* be formed to win a competence at a single cast of the die: **YOU LOSE, AND ARE RUINED!** Be warned, I entreat, in time. No bank officer—in charity we may believe—ever meant to be a defaulter: no one, at the beginning of an irregular course, thought defalcation and disgrace possible. Yet, alas for the many victims of self-deception! alas for the self-confident, and for those who neglected the great duty of self-examination! Most affectionately and earnestly do I charge you, as you value your peace, as you would save your integrity, as you would not be driven forth, a broken and shunned man, to resist every seduction of avarice from within, and every solicitation of companions from without. No matter what pretence or excuse a stifled conscience may allow you to frame, *the cash in your vault is not your cash, and you touch it for your private benefit or relief even as a robber, and at the peril of your soul!*

A single warning more, and I pass to less painful topics of discourse. Allow no customer to overdraw his account upon your own responsibility, or without the express sanction and authority of directors. The habit is a bad one, every way, under *any* circumstances; and I wish it could come to an end at once, everywhere, and for ever. But if it be permitted, in particular cases, in your bank, have neither part nor lot in the matter, save to execute a positive order. Discourage the practice in every possible manner, and if fortunate enough to put an end to it, you will deserve the praise of every correct banker in the country. At your post, and in bank hours, you are to have no friends to indulge with favors, no enemies to punish with refusals. Then and there, all men should be alike to you. The motto of the Magazine should be yours, without reservation or condition. In fine, perform no act that you would



omit in the presence of the full "board," or in that of the sureties on your official bond. This rule will carry you safely through every difficulty and every temptation.

Pardon me if I now suggest the importance of maintaining a reputation for strict, exact veracity. An aged judge is said to have remarked, ironically, that "half the cases he had tried on the bench arose from 'good understanding' between the parties"; and by this he meant, that half-made bargains and agreements lead to disagreement and litigation. Avoid misunderstandings from this source. Many, indeed most, of your transactions, will be upon verbal contracts. But you may use words so terse, so precise, that misconception will be hardly possible.

The honor of a cashier and the honor of a woman are alike. Suspicion of either in the public mind is as fatal to reputation as convicted guilt. Stand by, stand for, *your* honor, then, against all comers, and to the last. Preserve your own respect, though you be fed by the hand of public or of private charity. Napoleon, at the hour of his downfall, deposited the remains\* of his fortune with Laffitte, and refused an offered and customary certificate, saying, "I know *you*: I hold *you* to be an honest man." The Paris banker, in the course of events, became a cabinet minister; but such a testimonial to his probity from a man whose estimate of human virtue was too low to be just, and who, at the moment he uttered it, was, as he imagined, the victim of faithlessness and treachery, will be remembered when the records of his political honors are torn and scattered. But yet, any man in his own circle may, if he will, have it said of him,—"I KNOW YOU: I HOLD YOU TO BE AN HONEST MAN." My young friend,—now starting upon a banker's career,—burn these words deep into your memory!

As in some things there are marked distinctions between banks in different sections of the country, and between country and city banks in the same State, and corresponding differences in the duties of a cashier, it is obvious that no series of "Suggestions" can be alike applicable to all. But I may still hope that the *young and inexperienced* officer will not fail to find *some* useful hints in the preceding remarks, whatever his particular position or special charge.

And, while this may be so, the country cashier may yet need cautions and recommendations adapted to his peculiar official and social relations. Such, then, as I deem the most important, I shall briefly and respectfully offer. First, as it sometimes happens that the person selected for the executive department has had little or no experience in banking, and is to be connected with directors whose knowledge is as limited as his own, the duty of consulting well-informed officers of city banks is manifest. The country cashier is often alone. Without paying or receiving tellers, book-keeper, or discount or collection clerks, but invested with the functions of all, skill, system, and an economical use of time are indispensable to success. I have known gentlemen who, though possessing quick and clear perceptions, and almost every other natural endowment, were still, at the time of their election, incapable of

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\* Five millions of francs.

opening, or of properly keeping, a single bank-book. Some of these, remarkably cautious in their habits of business, and profiting by mishaps, escaped serious losses, and, in the end, became accomplished officers; while others, more sanguine in temperament, more self-confident, and unwilling to *seem* novices, involved themselves in difficulties which caused them much mental disquietude and pecuniary embarrassment. Now, it is apparent at a glance that both classes, had they started right, might have avoided a great deal of painful experience.

I commend to you, therefore, if not bred to banking, the sources of information which are open to you, and to all who desire to increase their knowledge. Accuracy in the count of money is the first, accuracy in the keeping of accounts is the second qualification in a country cashier; and, while you may acquire the first by practice, you may go wrong with your records all your life.

A small bank should be conducted on a plan as systematic and as regular as a large one. Experience has shown, I think, that bank accounts should be kept in "double entry," and that each department of bank business requires a separate book. Thus, in an institution with a capital of only fifty thousand dollars, I consider that a general and a deposit ledger, that books for cash, deposits, discounts, credits, collections, and trial balances, are as essential as in one of a million of dollars. And the same remark is true of stockholders and directors' records, of a book to show the state of the bank, and of another to exhibit the paper to mature in any given week.

The general and the deposit ledger may be one; the former occupying some seventy-five or one hundred pages, and embracing accounts with *things*, the latter with *persons*. The cash should be settled daily at the close of business, when, also, a trial balance should be taken of the general-ledger postings. On the last business day of the month, the depositors' accounts should be adjusted, and the balance of each be transferred to the trial-balance book to ascertain whether the deposit ledger has been correctly posted. The daily settlement of the cash—neglected in *some* country banks, unless the reform has been very recent—need occupy but a few minutes, since a vault-book, accurately kept, leaves for actual count the cash in drawer only. "Memorandum checks," and similar vouchers,—to say nothing of the grave consequences which sometimes result from their use—are great pests in a cashier's drawer, and should not be allowed there, except in the most urgent cases. Some cashiers keep "ragged bills," never intended to be reissued, in vault for months, and even years; but the practice is attended with obvious risk and inconvenience, and should not exist.

As already intimated in another connection, your directors, however worthy and respectable as citizens and gentlemen, may be poorly versed in the science of banking, and may not, at first, appreciate the force and the reason of the rules which you deem necessary to adopt, in transactions with them and with others. But evince no impatience. I assume that a majority of any and of every "board" are men of honor, and mean to do right; and that, in explanations and conversations with yours, you have but to calmly point out the evils likely to arise from a course opposite to that which you insist upon, to obtain their

approbation. Yet you yourself should be well assured that these rules are consonant to law, or are such as are imposed in well-regulated banks, or such as, in your peculiar position and relations, are imperatively demanded.

It is possible that your predecessor allowed improper indulgences to a particular director, or had favorites among your customers, and that you will feel constrained to put an end to these and to similar irregularities. To accomplish this, in harmony, will require all the wisdom and good-nature that you can command. It is possible, too, that overtures may be made to you to grant favors inconsistent with your duty ; but, as such cases will arise from thoughtlessness or ignorance, as often as from unworthy motives, you should be silent, except when corrupt intentions are too apparent to be mistaken, or the importunities of the same person become so frequent as to be troublesome.

The customers of a country bank, unlike the merchants of large and busy cities, expect of the cashier some inquiries about their families, and remarks upon the news of the day, upon the crops, the weather, and other matters of personal or local interest. To a reasonable extent this expectation should be gratified. But discussions across your counter on topics of sectarian theology and party politics are to be avoided, — entirely avoided. Nor, if you hear, should you reply to, or take part in, tales of scandal and neighborhood gossip. Polite to all, sociable to a degree not to interfere with your duties, inviting and giving friendly greetings, your deportment is yet to be dignified, and such as becomes a well-bred gentleman.

You will transact business with persons who cannot even write a note of hand in proper form ; with those who cannot be made to acknowledge the necessity of a notice to an indorser ; and with those who will pertinaciously insist upon having their own way, whatever your reasoning or objections to the contrary. Teach the ignorant, without giving them pain ; be firm with the self-willed, without evincing impatience or anger ; for the smart of a sharp word, or of a proud toss of the head, is sometimes felt for years. "Contempt," says an Eastern proverb, "will penetrate the shell of a tortoise" ; be sure to remember, that it will pierce deeper than the epidermis of a fellow-man.

To require, and to insist upon, regular bank hours will occasion *some* difficulty in *some* places. People whose business at banks is rare seem to forget that a cashier, like other men, has a love of fresh air, or that he needs exercise and relaxation ; and thus cannot or will not understand why he is not ready to accommodate them early in the morning, and late in the evening. These persons seek him in his moments of rest and recreation, ask him to receive money at his house, or in the village stores, and complain if he refuses so *reasonable* requests. You will be unjust to yourself if you submit to these, or to similar demands. The intervals between bank hours are yours by positive contract, and by the very necessities of your physical and mental being. Do not permit inroads upon them, save in extraordinary exigencies ; in these, leave your bed even, to serve a customer. Still, as loose and unsafe habits may have been encouraged by your predecessor, or countenanced by directors, measures of reform will be odious, unless gradual. Under

kind and considerate treatment your laggards may become punctual, and untimely requests to open your vault entirely cease.

A single "suggestion" more. The private and social relations of a country cashier are of consequence, and ought not to be overlooked. And, first, a salary officer, under ordinary circumstances, needs not to be in debt for his personal or family expenses; and, as cash payments are sure to show whether he is "living beyond his means," may I not commend the safe rule of "paying as you go"?

Again, may I not be allowed to suggest the duty of constant attendance at church, even though you cannot worship with persons of your own faith; and also of manifesting an interest in schools, public lectures, lyceums, and other means employed to promote the welfare of society. The community in which you live have a claim upon you, not only for an exemplary life, but for contributions of money in proportion to your ability, to aid in the maintenance of the religious, literary, and benevolent associations established among them.

To conclude. Should it be thought that I might have omitted the discussion of some topics, and have treated others with greater brevity, I submit, with deference, that I have endeavored to be a careful observer. More than twenty-five years have elapsed since the commencement of my connection with banks and banking; and, as I now look back and recall the facts elicited by judicial inquiry, and the facts embraced in other well-authenticated accounts which relate to bank officers who have fallen, never again to rise, or whose lives have been saddened and embarrassed by want of firmness in resisting the allurements of pleasure, or the solicitations of the companions of their social hours,—by an overweening self-confidence,—by too great faith in others; as, too, I remember the complaints against another class, who, though without a moral stain, have still injured themselves and the institutions with which they are concerned by churlishness and irritability;—I find no cautions and admonitions to omit, no recommendations that may not, I think, assist in forming the character of the officer for whom these suggestions are intended.

A single word more. Many of the cashiers whose private virtues and professional ability adorn the annals of banking in the United States, receive salaries nearly equal to the emoluments of cabinet ministers, or military officers of the highest rank, and are intrusted with powers so ample, that they seem to be private bankers, wielding their own capital. These gentlemen have attained the crowning honors of their profession. Let the "young cashier" aim to reach the same eminence among men, and among bankers. Let him remember, that, whatever the influence of friends at the outset of his career, his position in the maturity of his years must, in the very nature of things, depend upon himself, upon his capacity, his courage, and his probity.

I have here spoken to him as to my only son, and take my leave, in the earnest hope that, in the labors of some one of his seniors, communicated to the Magazine upon the invitation which, perhaps, I have unwisely accepted, he will be sure to find a path marked out for him which will lead him to the rewards of a well-spent life.

## LIFE INSURANCE IN NEW YORK.

Was published in our June No. the new law of the State of New York in reference to life insurance. This law requires a deposit of stocks, bonds, or mortgages with the Comptroller of the State, to the amount of \$100,000, by every life insurance company doing business in that State, including all agencies. The law requires that "*the Comptroller shall hold said stocks, bonds, and mortgages, as security for policy-holders in said companies.*"

We think that no well-managed company can object to the new law as partial in its operation. It is obviously intended for the general good, and can produce no harm. It would be a wise policy for every State to adopt with regard to its own institutions; and then there would be no necessity for New York to apply it to foreign companies. Life insurance premiums should remain a sacred fund for the benefit of policy-holders, and the safeguard of the law would seem to be necessary to protect the community against companies *established, or doing business, without adequate capital.* The following remarks are taken from a communication to the *Chicago Tribune*; but when the writer finds that the law is for the benefit of *all* policy-holders of a company, the force of his objections is removed. — Ed. B. M.

"In regard to the law of the State of New York relative to Life Insurance Companies, I desire to say a word and compare notes with you. The novel and extraordinary requirements of that law may be *expedient and necessary* in reference to *their own companies*, to inspire public confidence, and probably the legislature thought it necessary to "protect her citizens" by some stringent legal enactments from the financial operations peculiar to the Empire City (for all her life insurance companies are located in Massachusetts); but does that prove that the institutions of other States require from them the same legislation and restrictions? Do you wish it understood that Connecticut and Massachusetts do not exercise proper vigilance and care over their institutions, but leave them to the custody and watchfulness of the New York legislature? When there are indications of mismanagement and "sleight-o'-hand games" manifested in their institutions, those States will not ask the assistance of New York to protect the public against "stock-jobbers and speculators." But when the interference of the legislatures of those States is required, I trust they will exercise the honesty and magnanimity to extend their protection to the whole public, the citizens of Illinois as well as those of their own States. How is it with the law of New York, you so commend and seem to approve? What protection against the financiering of Wall Street "stock-jobbers and speculators" does that law afford to a policy-holder residing in Illinois, Michigan, or Ohio? Let us see what magnanimity and generosity the legislature of New York has exhibited, in guarding the citizens of the West who may be lured by this specious legislation to take policies in their life insurance companies.

"The law to which you allude and attach importance as security to policy-holders in this vicinity, requires that the life insurance companies of the State of New York, and all *other* companies doing business in that State, deposit securities (of a specified kind) to the amount of one hundred thousand dollars, with the Comptroller of that State, *for the exclusive benefit and security of the policy-holders residing in that State.* Although this is not the precise *letter* or phraseology of the law, it is *the exact construction of it*, as given by the Attorney-General and Comptroller; and is to be administered by them *agreeably to that construction.*"

## LAWSON'S HISTORY OF BANKING.

## CHAPTER IV.

## FOUNDATION OF THE BANK OF ENGLAND.

*Origin of the Bank of England. — Debates in Parliament respecting the Bank. — Act for establishing the Bank passed 1694. — Directors chosen. — Commence active Operations at Grocers' Hall in the Poultry. — Petition to the House of Commons to dissolve the Bank rejected. — Difficulties of the infant Bank. — Advertise for Customers. — Issue Sealed Bills bearing Interest. — Obtain the exclusive Privilege of Banking in 1708. — First Issue of Bank Post Bills. — Singular Trial respecting a Bank-Note. — First Execution for Forgery of Bank-Notes, 1758. — A Military Force first sent to guard the Bank. — Unclaimed Dividends the Subject of Dispute between the Government and the Bank. — Settlement of the Question. — First Issue of Five-Pound Notes. — Difficulties of the Bank in 1795. — Alarming State of their Affairs. — Order in Council authorizing the Bank to refuse Gold for its Notes. — Issue of One and Two Pound Notes. — Report on the Affairs of the Bank. — Proposals for a new Bank. — The Bank contribute £ 200,000 towards the Expenses of the War.*

OUR previous chapters have treated of banking in its infancy; we have now to detail events relating to one of the most important banking institutions that exists in any part of the world; and the history of banking furnishes no example that can at all be compared with it for the range and multiplicity of its transactions, and for the vast influence it possesses over public and national affairs.

Most of the printed proposals for public banks in England during the seventeenth century seem to have had that of Amsterdam principally in view; but it is doubtful whether one exactly after that model would have been suitable for England; what was wanted was, a bank having circulating notes and bills, but without the hazard of bankruptcy.

Considerable difficulties were experienced by the government in 1691 in raising the annual supplies for the support of the war with France, when William Paterson, a merchant from Scotland, laid a scheme before the ministry for the formation of a public joint-stock bank.

A very curious account of the origin of the Bank is to be found in a pamphlet, printed in 1717, called "The Conferences on the Public Debts, by the Wednesday's Club in Friday Street." The discussions among the members of this society excited considerable public attention; both Paterson and Godfrey, the promoters of the scheme for a bank, belonged to this club, the members of which presented a petition to King William, setting forth, among other things, the great advantages of a public bank; but at that time their proposal was received with suspicion.

Paterson anticipated that the government would readily incorporate, with certain powers and privileges, such parties as would advance a considerable sum of money by way of loan to meet the public exigencies. Yet, as he himself relates in the account of his transactions in relation to the Bank of England and the Orphans' Fund, printed in 1695, "he

found it much more difficult to get it consented to by the Privy Council, in order to be brought into Parliament, than he had at first apprehended."

Long debates were held in the Privy Council, Queen Mary being present. Many were of opinion that a bank would not answer, as they were only to have *eight per cent.* on the capital advanced; this was not to be wondered at, inasmuch as the government had been paying interest in anticipation of the public revenue, varying from 20 to 40 per cent.

Through the interest of Michael Godfrey and other friends of the project, forty merchants subscribed five hundred thousand pounds towards the sum of one million two hundred thousand pounds, to be lent to the government at eight per cent. interest, in consideration of the subscribers being incorporated as a bank.

When the plan had been properly adjusted in the cabinet, and a majority secured for it in the House of Commons by the influence of Montague, the Chancellor of the Exchequer (who seems to have taken great interest in the success of the measure), it was introduced to the House.

Its advocates expatiated on the national advantages that would accrue from such a corporation. They said "it would rescue the nation out of the hands of extortioners and usurers, lower interest, raise the value of land, revive and expand public credit, extend circulation, consequently improve commerce, facilitate the annual supplies, and connect the people more closely with the government."\*

The project was violently opposed by a strong party, who affirmed that "it would become a monopoly and engross the whole money of the kingdom; that, as it must infallibly be subservient to the government views, it might be applied to the worst purposes of arbitrary power; that, instead of assisting, it would weaken commerce, by tempting people to withdraw their money from trade and employ it in stock-jobbing; that it would produce a swarm of brokers and jobbers to prey upon their fellow-creatures, encourage fraud and gaming, and further corrupt the morals of the nation."

The moneyed men also opposed it, lest it should diminish, as it very soon after did, their exorbitant gains from the public distresses.

On the 14th of April, 1694, the House of Commons, in a committee of the whole house, proceeded to the consideration of the establishing of a public bank. One of the objections to the bill was, that "it did not contain a clause compelling the bank to make a report on oath to the Barons of the Exchequer of the yearly sums borrowed and lent by the corporation." The bill was ultimately passed; and on the 25th of April, 1694, King William went in state to the House of Lords, and gave the royal assent in the usual form.

The "London Gazette" of the 7th of June, 1694, contains a notice appointing commissioners to receive subscriptions for the new bank, together with a schedule containing a draft of the charter, which commission and draft of a charter were signed by the queen. Another notice

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\* See "Macpherson's Annals of Commerce," Vol. III. p. 660.



appears in the "Gazette," that "the commissioners would meet at Mercers' Hall, Cheapside, for the purpose of receiving subscriptions for the Bank of England."

Such was the favorable reception this scheme met with from the public, that, in ten days, the whole sum of one million two hundred thousand pounds was subscribed; and on the 5th of July, 1694, a notice appears in the "Gazette," announcing that a meeting would be held at Mercers' Hall, on the 10th of July, at eight o'clock in the morning, of all persons who had five hundred pounds or more interest in the subscribed capital of the bank, to take the following oath: "I, A. B., do swear that the sum of five hundred pounds by me subscribed, or the sum of five hundred pounds at least by me subscribed, is my own proper money for my own use and in my own right, and not in trust for any other person whatsoever." After taking the oath, each person was to give in writing, rolled up, the names of two of the subscribers as they should think fit, the one to be the Governor and the other the Deputy Governor of the corporation of the Bank of England. And a further meeting was held on Wednesday, the 11th of July, for the purpose of choosing twenty-four other of the subscribers to be Directors of the said corporation.

Many of the subscribers having neglected to pay up the full amount of their subscriptions, the following notice appeared in the "Gazette" of the 17th September, 1694: —

"The Court of Directors of the Bank of England, in pursuance of the power to them given, have directed and appointed that the second fourth part of the money subscribed be paid to their cashiers at Mercers' Hall, in Cheapside, London, on or before the 25th day of September instant, of which all persons concerned are desired to take notice, to prevent incurring the forfeiture provided by the act of Parliament, in case the same be not paid into the Exchequer on or before the 1st of October next."

The subscribers met on Friday, the 28th of September, for the purpose of settling by-laws for the government of the corporation, and fixing on a house or place of business, when it was agreed that the Bank should commence its operations at Grocers' Hall, in the Poultry; and on the 1st of November they gave notice, that, after the 1st of January, 1695, they would lend money on mortgage and real securities after the rate of five per cent. per annum.

The charter of the Bank of England enumerates, at some length, the fundamental principles of the corporation; and displays, in the manner in which it is drawn up, a considerable extent of knowledge of commercial affairs. Instead, however, of obtaining exclusive privileges of trading, which a century before would have been an object of ambition with a society of merchants, the bank was restricted to the dealing in bills of exchange and in gold and silver. It was prohibited from taking part in any mercantile concern; but it was authorized to make advances, like the banks at Amsterdam and Hamburg, on the security of merchandise lodged with it or pledged to it by written documents. The latter description of business, it was thought, would form a principal source of profit.

On the 1st of January, 1695, the Bank commenced active operations



at Grocers' Hall, in the Poultry ; and on the 11th of February the following advertisement appeared in the "London Gazette" : —

"The Court of Directors of the Bank of England hereby give notice, that they have empowered their cashiers, Mr. Thomas Speed, Mr. Robert Hedges, and Mr. Thomas Madolees, or any one of them, and no other, to give notes on behalf of the Governor and Company of the Bank of England, either for payment of money or bills, for which they are to be accountable."

On the 19th of January, 1695, a petition from several merchants and traders of the city of London, on behalf of themselves and others, was presented to the House of Commons, setting forth, "That by an act made the last session of this Parliament, for granting to their Majesties a duty upon the tonnage of ships, &c., and by virtue of their Majesties' letters patent in pursuance of the said act, a corporation of the Governor and Company of the Bank of England is established to receive and manage the sum of £ 1,200,000 ; which said bank, as the same is and may be managed, is ruinous and destructive to trade in general, injurious to his Majesty's revenues, prejudicial to the lands and manufactures of this nation, and is only a private advantage to the said corporation."

This petition was taken into consideration on Tuesday, the 22d of January, 1694-5, when the petitioners, together with the Governor and Directors of the Bank, attended the House, and were informed that their petition could not be received. This decision of the House of Commons was considered conclusive as to the degree of protection which the Bank might calculate upon receiving from the government ; but it had the effect of causing the publication of sharp and bitter animadversions upon its management, and of the retirement of several of the directors.

None of the notes issued by the Bank at this time were under twenty pounds ; and from this period the Bank commenced discounting mercantile bills of exchange. The rate of discount charged fluctuated at first, but was usually between  $4\frac{1}{2}$  and 6 per cent. A distinction was at first made in this respect in favor of persons who *used the Bank for purposes of deposit* ; for such persons inland bills were discounted at  $4\frac{1}{2}$ , and foreign bills at 3 per cent., while to all other persons the rate was 6 per cent. upon both descriptions of bills.

Although the Bank advertised in the "Gazette" of the 6th of May, 1695, that they would advance money on pawns, loans on goods were seldom applied for ; and indeed the corporation appear to have made little use of this part of their privileges, confining their operations exclusively to banking, including therein the dealing in bullion of gold and silver, the receiving of deposits, the discounting of bills of exchange, the advances of money to the public on the faith of acts of Parliament, and the circulation of their own sealed bills, which bore interest, and of their cash notes, which bore no interest.

So early as the 15th of August, 1695, the bank called in their "marbled notes," some having been forged. The infant Bank encountered serious difficulties in 1696 and 1697, partly owing to the decree passed by Lord Chancellor Somers, reversing the decision of the judges in favor of the bankers whose money had been seized by Charles the Sec-

ond. This refusal to acknowledge a debt which James the Second had recognized, increased the opposition to the financial measures of the government. The seizure of the money in the Mint by Charles the First was denounced as a robbery, and the stoppage of payment by his son was stigmatized as swindling, in the uncourteous language of the PURITANS.

Another cause of difficulty arose from the Bank having taken in exchange for their notes the clipped and otherwise diminished silver money at the legal or par value by tale, and guineas at 30s. each; for which they issued notes payable on demand, before having received from the Mint a sufficient quantity of the new silver coin for answering the daily demands on them; so that their notes fell to a discount of seventeen to twenty per cent.; and it was no uncommon thing for a trader to purchase bank-notes at the reduced value, and pay his debts with them to the full amount they represented.

The avenues of the Bank were no longer frequented by men solicitous, as in 1695, for notes, even at a premium, in exchange for coin alarmingly depreciated; but were now eagerly crowded by those who were anxious to get the standard coin in return for their notes. The directors of the Bank spared no exertion to correct this state of things; they made two separate calls of twenty per cent. on their capital, which had not been called in from the proprietors; this was the means of withdrawing from circulation notes amounting to £ 480,000.

The floating debts of the government, which were then sometimes called exchequer tallies, were thrown into the market, till the extent of the discount made it ruinous to part with them, and money was borrowed at an interest of six or seven per cent. on sealed bills, to a great amount, in exchange for cash notes.

The Parliament at last took the distressed state of the Bank into consideration, and permitted them to increase their capital by new subscriptions; but it was stipulated that the old capital of £ 1,200,000 should be first paid up. Doctor D'Avenant, in his discourse on the public revenue and trade of England, says: "This second Bank subscription, being founded upon Parliamentary security for making good the deficient tallies, was formed by receiving those tallies at par, for which the owners had only given 50 to 60 per cent."

The same author, in page 265, remarks, that it "would be for the greatest good of trade, if the Bank of England were restricted by law from allowing interest on running cash, as was the case at this time; for the ease of having three or four per cent. without trouble or hazard must be a continued bar to industry."

The Bank did not require any legislative interference to restrain them from allowing interest on deposits; they were too glad to discontinue the practice, not for the reasons assigned by the learned doctor, but because it would augment their profits; and we cannot trace that they have, at any time since, renewed the practice.

On the 4th of December, 1696, the Governor and Directors of the Bank attended at the bar of the House of Commons, by order of the House, and presented to the House a statement of their affairs, as follows

(see Journals of the House of Commons for December, 1696, for further particulars of the affairs of the Bank): —

Dr.	£	s.	d.
To sundry persons for sealed bank bills standing out, . . . . .	893,800	0	0
To " " on notes for running cash, . . . . .	764,196	10	6
To moneys borrowed in Holland, . . . . .	300,000	0	0
To interest due on bank bills standing out, . . . . .	17,876	0	0
To balance, . . . . .	125,315	2	11

Total liabilities, . . . . . £ 2,101,187 13 5

Cr.	£	s.	d.
By tallies in several Parliamentary funds, . . . . .	1,784,576	16	5
By one half-year's deficiency of the fund of £ 100,000 per annum, . . . . .	50,000	0	0
* By mortgages, pawns, securities, and cash, . . . . .	266,610	17	0

Total means, . . . . . £ 2,101,187 13 5

London, November 10, 1696.

Examined by order of the Court of Directors,

Per THOMAS MERCER.

Among other devices to put off the payment of their notes, the Bank advertised in the "Gazette" as follows: "That such who think it fit for their convenience to keep an account in a book with the Bank, may transfer any sum under five pounds from his own to another man's account," which was adopting the method of the bank at Amsterdam. The Bank also caused another advertisement to be inserted in the "Gazette" of the 6th of May, 1697, calling upon "the defaulters of the last call of 20 per cent., which should have been paid by the 10th of November, 1696, and also those indebted to the Bank upon mortgage, pawns, notes, bills, or other securities, to pay in the said 20 per cent., and the principal and interest of their securities, by the 1st of June next."

On the 21st of June, 1697, in a then well-known newspaper called "The Postman," the following paragraph appears: "Bank-notes were yesterday between thirteen and fourteen per cent. discount."

Many persons supposed that it was the intention of the Bank to withdraw from circulation the whole of its notes; for in a report of the arguments used at a meeting of proprietors of bank stock to take the measure into consideration, the engrafting of the additional capital was supported on the following grounds: —

"First. That all their bills and notes will be brought in with the tallies, and so at once help them out of debt.

"Secondly. As a natural consequence of the former, their bills and notes will then be at par, or equal to money, for the payment of debts or bills of exchange.

"Thirdly. That being once out of debt, and their bills or notes equal with money, they may begin to establish a new and lasting credit.

"Fourthly. That the Bank cannot otherwise recover their credit in many years; and that, till their bills or notes go current again at par with money, the present proprietors cannot expect any dividend either of profit or interest."

\* This item includes £ 35,664 1s. 10d., cash, which it appears was all the Bank had in hand to pay their notes, amounting to £ 1,657,996 10s. 6d. Vide Journals of the House of Commons, 1696.

The amount subscribed on this occasion did not exceed one million, and consequently only eight hundred thousand pounds in tallies and two hundred thousand pounds in notes were paid into the bank, which sum was much below what was expected. The amount of the additional capital to be ingrafted on the Bank was neither limited by the committee of the House of Commons, appointed to take into consideration the state of the public credit, nor by the act of Parliament founded on the resolutions of the committee.

The 8th and 9th William III. c. 20, enacted, *inter alia*, that the capital stock of the Bank was to be exempt from any tax. No contract for the sale of the stock was to be valid, unless registered within seven days in the Bank books, and actually transferred within fourteen days. No act of the corporation, nor of its court of directors, nor sub-committees thereof, should subject the particular share of any member to forfeiture, which shares, however, were to be subject to the payment of all the just debts contracted by the corporation. By this act it was made felony to counterfeit the common seal of the Bank affixed to their sealed bills, or to alter or erase any sum in, or any indorsement on, their sealed notes, signed by order of the said Governor and Company, or to forge or counterfeit the said bills or notes. Members of this corporation were not to be subject to bankruptcy, merely by reason of their bank stock, which, moreover, was not to be liable to foreign attachment. This is all that is essentially necessary to be recited from this long and important act of Parliament.

It is almost incredible that, in a few months after the passing of the above act, the stock of the Bank given to the holders of exchequer tallies, which before ingraftment had been at 40 to 50 per cent. discount, should be currently sold at 112 per cent.

We cannot permit this early crisis in the affairs of the Bank to pass without notice. The first remark which has no doubt obtruded itself on the attention of the reader is, the extreme imprudence of the Bank in issuing paper, for which they bound themselves to pay the full value, and receiving in exchange depreciated coins. Nothing but the close connection subsisting between the government and the Bank could have justified such ruinous proceedings on the part of the latter.

One consequence resulting from this imprudence was the doubling the amount of their issues; and, in order to protect the Bank in this and all future issues of their paper, the forging or altering any of their sealed bills or notes was made felony. Why the Bank of England, already possessed of too much power, and regarded by many as a pernicious monopoly, should have such extraordinary protection, while other issuers of notes in the metropolis were left, in this respect, entirely unprotected, we are at a loss to determine.

By the 5th of Queen Anne, the Bank was empowered to call in money from their proprietors, to enable the corporation to circulate exchequer bills, by which power there was another temporary addition to their old capital, which had before been reduced to its original sum of £1,200,000. This temporary addition to bank stock was £1,001,171 10s., which made the whole stock amount to £2,201,171 10s.; and by

this act the bank was to remain a corporation until the redemption of £ 1,500,000 exchequer bills, which the Bank had agreed to circulate at £ 4 10s. per cent. per annum.

This was the first time that the Bank of England undertook the circulation of exchequer bills, by which measure they secured the favor of the government.

In this year, 1706, the Bank again issued sealed bills, the better to enable them to perform "their contracts with the government," bearing interest at two pence per cent. per day, or £ 3 per cent. per annum.

The increasing riches and influence of the Bank induced many wealthy individuals to connect themselves by deeds or covenants, and borrow large sums of money as bankers, which induced this jealous, vigilant, and active corporation to procure the following clause to be inserted in the statute of the 6th of Anne : —

"That during the continuance of the Governor and Company of the Bank of England, it shall not be lawful for any body politic or corporate, united or to be united, other than the Governor and Company of the Bank of England, or for other persons whatsoever, united or to be united in covenants or partnerships, exceeding the number of six persons, in this part of Great Britain called England, to borrow, owe, or take up, any sum or sums of money on their bills or notes payable on demand, or at any less time than six months from the borrowing thereof."

By this same act of Parliament, the Bank was to remain and be an established corporation, notwithstanding the acts of the 5th and 8th of King William ; and all their former privileges were now confirmed, as also their original annual fund of £ 100,000, until the whole £ 1,600,000 should be paid off, and also the annuity of £ 106,501 13s. 5d. ; and until all the exchequer bills to be issued pursuant to this act should have been called in, and payment made for circulating them. Then, and not till then, the corporation was to cease and determine.

The above sum of £ 106,501 13s. 5d. was to be the interest, at 6 per cent., of the £ 1,775,027 17s. 10d.

The Bank was authorized "to make dividends to their members of their principal or capital stock," as they afterwards did of the £ 1,775,027 17s. 10d., which principal stock "was always to remain at least equal to all the debts they owe."

During this reign the Bank had been extremely convenient and useful to the government ; and, in order to enable that corporation to be further beneficial, by assisting in raising the supplies, the House of Commons, in 1708, sanctioned a scheme whereby the Bank was to circulate 2,500,000 exchequer bills ; in which year the whole supply voted amounted to about seven millions. An act of Parliament, therefore, passed this year, "For enlarging the capital stock of the Bank of England, and for raising a further supply to her Majesty for the service of the year 1709," wherein the act for establishing the Bank, and all the subsequent statutes, were in part recited.

In consequence of this act, her Majesty granted a commission under the great seal, dated the 16th of February, 1709, to Sir Thomas Abney and others, "to take subscriptions for doubling the Bank stock, by selling their said additional stock at the rate of £ 115 for every £ 100 sub-

scribed"; all which was subscribed for between the hours of nine in the morning and one in the afternoon on the first day of opening the subscription books. This was by foreigners esteemed a pregnant proof of the great wealth of the nation, more especially as nearly one million more would have been on the same day subscribed, had it been required, so great was the crowd of people coming with their money to the Bank.

The Bank obliged themselves to advance to the government £400,000, without any additional allowance of interest for the last-named sum, which made their original capital of £1,200,000 at eight per cent. amount to £1,600,000, at six per cent. interest, to commence from the 1st of August, 1711.

Thus the Bank capital, a part of which was only temporary, was £4,402,343; by the £400,000 now further advanced, the total was £4,802,343; in consideration of which sum of £400,000 so lent, without any additional interest, their exclusive privileges as a bank were prolonged to one year's notice after 1st August, 1732. But the Bank were to pay off and cancel all the exchequer bills which had been before issued, amounting, with interest at six per cent., to £1,775,027 17s. 10d.; making a grand total of £6,577,370 17s. 10d.

The engagements which the Bank had entered into were no doubt of great service to the government of Queen Anne, as they enabled the minister to continue the war; but whether they were of service to the nation is a matter of doubt. One thing, however, is certain, that every operation was in itself of great advantage to the Bank, for they received interest upon the money they lent equal to or above what was the then current rate of interest for money.

Yet, nevertheless, they were not satisfied with the advantages which every one of their engagements had produced; for the Bank stipulated for, and the minister agreed to grant them, an extension of their charter, with all its privileges, for twenty-two years.

Thus it appears that, for this long continuance of their term, the Bank did not pay any thing to the public; they only lent sums of money, for which they were to have a very high rate of interest till repaid; and, again, in the same reign, they obtained, by the same means, a new prolongation of their term, upon twelve months' notice, after the 1st of August, 1742. A few years after this latter prolongation of their charter, the government made the following proposition to the Bank, to which the directors had the good sense to accede:—

1st. That the Bank should accept an annuity of £88,751 7s. 10d., after Midsummer, 1718, in lieu of their then present annuity of £106,501 14s. 5d., until the principal sum of £1,775,027 17s. 10d. should be repaid.

2d. That the Bank should discharge and deliver up to be cancelled, exchequer bills to the amount of £2,000,000, and, in lieu of the former interest and advantages, should accept an annuity of £100,000, to commence from Christmas, 1717, until the principal should be repaid.

3d. That the Bank should continue to circulate the remainder of the exchequer bills, amounting to £2,561,025, at an allowance of three per cent. per annum; and they agreed that from Christmas, 1717, these bills should carry an interest of only one penny per cent. per day; and, further, that from that period the allowance of £45,000 and £8,000 should cease and determine.

The above were, no doubt, favorable terms for the public; indeed,

the Bank could not at this time with any decency refuse to agree to them; for, the minister having at the same time applied to the South Sea Company, who agreed to accept an annuity of £ 500,000, after Midsummer, 1718, in lieu of the annuity of £ 600,000, which they were entitled to upon their capital of £ 10,000,000, and also to advance, at any time before Christmas, 1717, the sum of £ 2,000,000 for the public service, at five per cent. per annum interest, a rivalry between these two great corporations was by some parties looked upon as inevitable.

A few years after, the Bank of England bought £ 4,000,000 of the stock of the South Sea Company, and took subscriptions for sale of the newly ingrafted stock at £ 118 per cent., and sold £ 3,389,830 10s. which produced in money the exact sum due to the South Sea Company, viz. £ 4,000,000, so that in their corporate capacity they gained £ 610,169 10s. Bank stock.

The whole sum due from the public to the Bank at this time, viz. 1722, amounted to £ 9,375,027 17s. 10½d.; but the capital stock of the Bank upon which it paid dividends to its proprietors was only £ 8,959,995 14s. 8d. For an account of the various alterations in the amounts and interest of the permanent debt due by the government to the Bank, we refer our readers to the Appendix to this work.

In the year 1725 an additional act was passed, making it felony to alter, forge, or counterfeit bank-notes, or to erase or alter any indorsement thereon, or to tender in payment, either by exchange or barter, any such bank-note, knowing the same to be altered, forged, erased, or counterfeited, with intention to defraud the Bank, or any other body politic.

On the 14th December, 1738, the Bank of England issued the following notice: "That upon a representation of his Majesty's Postmaster-General, they are ready to give to such as desire it *bills payable at seven days' sight*, that, in case of the mails being robbed, the proprietors may have time to give notice thereof." This is the first instance on record of the issuing of bank post bills, which have since proved so profitable to the Bank and convenient to the public.

The influence this corporation had by this time obtained, even over the minds of juries, is strongly exemplified by the following remarkable result respecting a bank-note. It appears that in the month of December, 1740, a person in the garb of a clergyman purchased plate amounting to £ 69 5s. of a goldsmith of the name of Willdy, and tendered a bank-note for £ 70 in payment, receiving the difference. The shopkeeper, dubious of his customer, sent to the Bank to ascertain whether the note was genuine, and was informed that it was a good note, whereupon the plate was delivered up. In the afternoon of the same day the note was paid by the Bank. Four days after the payment of the note, a Bank clerk waited upon Mr. Willdy, and told him the note was forged, demanding the return of the money, which was refused; whereupon Mr. Charlwood, the Bank clerk, commenced an action, and after a trial which lasted several hours the jury brought in a verdict for the plaintiff.

In consequence of the progress of the Rebellion, a very alarming and extensive run for gold took place on the Bank of England; and on

Thursday, the 26th of September, 1745, a meeting was held at Garraway's Coffee-House of the principal merchants and traders of London, for supporting the credit of the Bank of England, when the following resolution was passed : —

"We, the undersigned, merchants and others, being sensible how necessary the preservation of public credit is at this time, do hereby declare that we will not refuse to receive bank-notes in payment of any sum of money to be paid to us, and we will use our utmost endeavors to make all our payments in the same manner."

This resolution received 1,140 signatures in one day ; and on its being known, the run on the Bank, which had continued for some days, ceased ; it was said gold was wanted for the rebels ; but the authorities at the Bank disappointed the parties by paying them in silver.

On Monday, the 27th of March, 1758, Richard William Vaughan was committed to Newgate for forging the notes of the Bank of England. He was tried and convicted on the 7th of April, and executed on the 1st of May ; this is the first instance on record of any one suffering death for forging bank-notes.

In the month of *May*, 1764, *two notes of £ 100 each, dated in 1696*, were presented to the Bank for payment ; they were discovered in an old family Bible, where it was supposed they had lain ever since. The following is a description of them : "They are as large as an Indian bond, and the figure of Britannia is on the top of them ; they contain about six times the writing that our present notes do ; there is a reference to, and quotation from, the charter of the Company, and bear to be paid by ten pounds a time, and to have a penny a day interest for one year." Since payment they have been shown as a curiosity. (*Scots Magazine*, Vol. XXVI. p. 629.)

During the tremendous riots in 1780 the Bank was exposed to considerable danger. Had the mob attacked the Bank at the commencement of the riots, the consequences might have proved fatal to its very existence. Fortunately, however, they delayed the attack until time had been afforded for providing a sufficient guard to insure its safety. Since that period a considerable military force is nightly marched into the interior of the Bank, as a protection in any emergency that may occur.

The peace of 1783 relieved the country from a most arduous and expensive contest. A state of confirmed peace directed thousands of men and millions of capital to a productive purpose. The public gradually recovered from the apprehension of loss of power caused by the separation of the North American colonies. Our town population increased ; our manufactures expanded, favored as they were by the easy conveyance of fuel, raw materials, and bulky goods on canals. An additional cause of this prosperous state of things may be found in the animating effect of country banking, which at this time was extended without being abused. The revenue improved slowly but progressively, and the minister of the crown was enabled to conduct our finances during *ten years without any aid from the Bank* beyond that of temporary advances.

At a meeting of the Bank proprietors on the 20th of March, 1791, the Governor acquainted the court that a bill was before Parliament to ap-



appropriate the sum of £ 500,000 out of the unclaimed dividends in the hands of the Bank, for the use of the government. During the pending of the bill in Parliament, various remonstrances were made by the Bank against the measure, not only by petition to the House of Commons, but privately to Mr. Pitt. The bill, however, passed the third reading, and then the minister and the Bank compromised the matter by the latter lending the government £ 500,000 without interest, and for so long a period as the sum of £ 600,000 in unclaimed dividends should remain in the hands of the bank.

If the conduct of the Bank of England in regard to the unclaimed dividends had been based on justice, they would not have continued the practice of concealing, with a view to converting to their own use, the unclaimed dividends. So tenacious, however, were they of securing the profits derivable from this source, that Bank clerks were afraid to apprise individuals of dividends being due to them, lest they should be discharged from their situations.

At length the interference of the ministers extorted from the Bank Directors the publication of a list of these dividends, which, as Mr. Pitt justly observed, "belonged to the public, on whose behalf and as whose agents the Bank of England paid them, and not to the proprietors of that corporation."\*

At the close of the year 1792, the affairs of France unfortunately assumed an aspect which led to a sudden relinquishment of a state of peace, and of the various reforms for which that state is indispensable. The transition from peace to war was unexpected, and the shock to our productive industry consequently very great. The circulation of our country banks had increased, and a number of manufacturing and other establishments had been formed, on the supposition of a continuance of the peace, and of a low interest of money. All this was now reversed; hence that succession of failures among merchants and country bankers which gave so gloomy a coloring to the early part of 1793, and led to a heavy drain of specie from the Bank.

The commercial embarrassments were at that time attributed to temporary causes, and not to a deficiency of coin. Yet we find that, although the quantity of foreign gold purchased by the Bank in this year greatly exceeded the quantities purchased in the three preceding years, the cash and bullion in the Bank were reduced very much below the ordinary amount.

In 1793 the Bank of England first commenced an issue of five-pound notes.

We are now approaching one of the most important and critical

\* By a recent return to an order of the House of Commons of the sums issued for the payment of dividends due and not demanded from the 5th of April, 1846, to the 5th of January, 1847, it appears that the gross total amounted, on the 5th of April, 1846, to £1,108,118, of which £135,023 remained in the hands of the Bank, the remainder being advanced to the government; and that the amount of the dividends due, and not demanded, on the 5th of July, 1846, was £1,093,556, of which £100,000 remained in the hands of the Bank. On the 10th of October, 1846, the amount was £1,017,980, of which £100,000 remained in the hands of the Bank; and on the 5th of January, 1847, £1,088,819, of which £170,838 remained in the hands of the Bank.

periods in the history of the Bank of England. We therefore propose to give somewhat in detail a gradual development of its condition, and the real causes which led to the final suspension of all payments in cash, together with the consequences which followed that suspension.

On the 15th of January, 1795, the Court of Directors of the Bank of England passed a resolution, that the Chancellor of the Exchequer be requested to make such arrangements in his finances of the present year as not to depend on any further assistance from them beyond what had been already agreed on; and on the 16th of April the Governor and Deputy-Governor were directed to wait on Mr. Pitt, to express the uneasiness they felt at being called upon to pay upwards of two millions in treasury bills, and to request that he would be pleased to provide for their discharge.

On the 8th of October, 1795, the Court of Directors sent a written paper to the Chancellor of the Exchequer, purporting that the very large and continued drain of bullion and specie which the Bank had lately experienced, arising from loans and other subsidies, together with the prospect of the demand for gold not appearing soon to cease, had excited such apprehension in the Court of Directors that, on the most serious deliberation, they deemed it right to communicate to the Chancellor of the Exchequer the absolute necessity they conceived to exist for diminishing the sum of their present advances to the government, "the last having been granted with great reluctance on their part; and then only on his pressing solicitations, and statement that serious embarrassments would arise to the public service if the Bank refused."

No reply was made to this application, or any steps taken by Mr. Pitt to relieve the Bank from the difficulties in which they found themselves; but they were left to struggle through them as best they might. The Directors of the Bank waited on the minister on the 25th of the same month, on the subject of a contemplated loan to the Emperor of Austria. Mr. Pitt said in reply, that he had no idea of such a loan, but could not pledge himself to the contrary. The Governor thanked him for his answer; which, he told Mr. Pitt, he received with pleasure, thinking, as he said, "that another loan of that sort would go nigh to ruin the country."

Several communications of a like import appear to have passed between the directors and the minister from this time till the 20th of July, 1796, on which day Mr. Pitt addressed a letter to the Court of Directors, requiring several advances of money, including the payment of the treasury bills; and, after a debate on the subject of the letter, the court came to several resolutions, which resulted in a compliance with the minister's request, with this significant addition, that such compliance be accompanied with a MOST SERIOUS AND SOLEMN RESOLUTION, which, for the justification of the court, they desire may be laid before his Majesty's cabinet. This remonstrance concluded as follows:—

"They (the Court of Directors) beg leave to declare that nothing could induce them, under present circumstances, to comply with the demand now made upon them, but the dread that their refusal might be productive of a greater evil; and nothing but the extreme pressure and exigency of the case can, in any shape, justify them for ac-

ceding to this measure ; and they apprehend in so doing they render themselves totally incapable of granting any further assistance to government during the remainder of this year, and unable to make the usual advances on the land and malt taxes for the ensuing year, should those bills be passed before Christmas. They likewise consent to this measure in a firm reliance that the repeated promises so frequently made to them, that the advances on the treasury bills should be completely done away, may be actually fulfilled at the next meeting of Parliament, and the necessary arrangements taken to prevent the same from ever happening again, as they conceive it to be an unconstitutional mode of raising money ; what they are not warranted by their charter to consent to ; and an advance always extremely inconvenient to themselves."

By this confession on the part of the Bank, it appears that they were in the habit of violating that clause in their charter which prohibits their lending any money to the king without the consent of Parliament ; and at last it became so apparent to the Board of Directors that, by paying the treasury bills without the sanction of Parliament, they laid themselves open to the penalty of the act of William and Mary, that, fearing the consequences of a continuance in such a course of proceeding, they got a clause introduced into a bill in Parliament, repealing so much of the act of William and Mary as related to the penalty, which was a forfeiture of the sum so paid, one half to go to the informer. This would have been a very serious affair to the Bank. It was originally intended that the penalty should be taken off only in case the advances on treasury bills should exceed, at any one time, the sum of £ 500,000 ; but the clause went through the House without any such restriction.

On the 9th of February, 1797, the Court of Directors ordered the Governor of the Bank to tell Mr. Pitt, that, under the present state of the Bank's advances to government, to agree to his request of making a further advance of £ 1,500,000 as a loan to Ireland, would threaten ruin to the Bank, and most probably bring the directors under the necessity of shutting up their doors.

These several remonstrances to the minister seem to have had little or no effect ; and the result anticipated, viz. a stoppage of the Bank of England, took place even at an earlier period than the directors themselves calculated upon.

The run — to speak in commercial phraseology — commenced upon some of the country bankers ; and the great demand for specie to supply them induced the directors to lay the state of their affairs before the minister ; in consequence of which the following results took place : —

"At the Council Chamber, Whitehall, February 26, 1797, by the Lords of his Majesty's most Honorable Privy Council ; present the Lord Chancellor, the Lord President, the Duke of Portland, Marquis Cornwallis, Earl Spencer, Earl of Liverpool, Lord Grenville, Mr. Chancellor of the Exchequer :

"Upon the representation of the Chancellor of the Exchequer, stating, that, from the result of the information he has received, and of the inquiries which it has been his duty to make respecting the effect of the unusual demand for specie that has been made upon the metropolis, in consequence of ill-founded alarms in different parts of the country ; it appears that, unless some measure is immediately taken, there may be reason to apprehend a want of a sufficient supply of cash to answer the exigencies of the public service. It is the unanimous opinion of the Board, that it is indispensably necessary for the public service that the Directors of the Bank should forbear issuing any cash in payment until the sense of Parliament can be taken on that subject, and the proper measures adopted thereupon for maintaining the means of circulation, and supporting the public and commercial credit of the kingdom at this important juncture."

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ture. And it is ordered, that a copy of this minute be transmitted to the directors of the Bank ; and they are hereby required, on the ground of the exigency of the case, to conform themselves thereto until the sense of Parliament can be taken as aforesaid.

“ W. FAWKENER.”

On the next Monday morning, the following notice was issued by the Bank : —

“ In consequence of an order of his Majesty's Privy Council, notified to the Bank last night, a copy of which is hereto annexed, the Governor, Deputy-Governor, and Directors of the Bank of England think it is their duty to inform the proprietors of the Bank stock, as well as the public at large, that the general concerns of the Bank are in the most affluent and flourishing situation, and such as to preclude every doubt as to the security of its notes. The directors mean to continue their usual discounts, for the accommodation of the commercial interests, paying the amount in bank-notes ; and the dividend warrants will be paid in the same manner.”

Great alarm was excited throughout the city on the appearance of this notice, and a meeting of the merchants, bankers, &c. was held at the Mansion-House in the afternoon of the same day, when a resolution, precisely similar to the one passed in 1745, was unanimously adopted.

By the order in Council the directors of the Bank were restrained from doing what in fact was physically impossible for them to do ; and were indulged with the liberty of exchanging one promise to pay for another promise to pay. Yet, notwithstanding this suspension of cash payments, which forms a most memorable era in the history of political economy, the credit of the Bank immediately revived, and their notes were circulated more freely than ever, and retained the same degree of credit as when, according to the tenor of their promise, they were honored with an immediate payment in specie.

To those who have regarded the patient acquiescence of the nation in all the ruinous and contradictory measures of this period, neither this, nor perhaps any other, instance of credulity will appear surprising.

The Bank were determined to act up to the letter and spirit of the order in Council ; for they even refused to furnish the bankers of the metropolis with a sufficient quantity of specie to pay the fractional parts of the checks drawn on them ; and, in reply to the application of the Committee of Bankers, stated, “ They could not spare the specie ” ; at the same time informing the committee, “ that the cashiers of the Bank were employed, night and day, by rotation, in preparing one and two pound notes, which they hoped would be ready by the following Monday.”

The bankers then waited on Mr. Pitt, to request his interference in procuring them a certain quantity of specie, to meet the demands of their customers. The minister returned for answer, that they could not have “ more than 1,000 guineas each ” ; with which they were obliged to be content.

The moment the Bank of England on authority refused to pay their notes, the legislature without doubt became responsible for the validity of that currency which they had hitherto only connived at.

On Monday, the 27th of February, Mr. Pitt presented to the House of Commons a message from the king, importing, that “ the peculiar nature and exigency of the case appeared to require, in the first instance, the measure contained in the order in Council which his Majesty

had directed to be laid before the House ; that, in recommending this important subject to the serious attention of the House of Commons, his Majesty relied with the utmost confidence on the experienced wisdom of his Parliament for taking such measures as might be best calculated to meet any temporary pressure," &c.

On the minister moving for a select committee for examining the affairs of the Bank, Mr. Fox, speaking on this question, said : " Every man who read this order in Council was struck with this enormity in it, that, for the first time in the history of this country, an order in Council had violated public credit, and compelled the Bank to stop payment. This was not only to impair, but destroy ; for the value and use of the Bank consisted in this, that its notes were convertible at pleasure into gold and silver. Of all the modes of settling this affair, the plan which the minister had adopted was the most dangerous : it never would be out of the memory of the people. It would be recollected with terror, that whatever our constitution might be on paper, whatever its provisions for the protection and security of property, one word from the king could destroy both." He contended, that there could not be contrived a measure more violent and repugnant than that of the minister sending an order to the Bank to refuse payment to the public creditor.

About this period funded property was more depreciated than it ever had been since the funds were created. It may probably be an object of curiosity to see the extent of the variation in this respect at two different periods. The highest price at which the funds had ever been, previous to 1797, was, if we mistake not, as follows : —

Three per cent. consols,	. . . . .	9th of March,	1792,	97½
Four per cents.,	. . . . .	13th "	1792,	105½
Five per cents.,	. . . . .	1st of February,	1792,	120
Bank stock,	. . . . .	14th "	1792,	219

A little more than a month after the Bank of England had suspended its payments in cash, the funds stood thus : —

Three per cent. consols,	. . . . .	5th of April,	1797,	47½
Four per cents.,	. . . . .	6th "	1797,	60½
Five per cents.,	. . . . .	6th "	1797,	72½
Bank stock,	. . . . .	6th "	1797,	121½

On the 3d of March, 1797, a committee of the House of Commons presented the following report : —

" The committee appointed to examine and state the total amount of outstanding demands on the Bank of England, and likewise of the funds for discharging the same, and to report the result thereof to the House, together with their opinion of the necessity of providing for the confirmation and continuance for a time, to be limited, of measures taken in pursuance of the minute of Council, on the 26th of February last, and who are empowered to report their proceedings from time to time to the House, have, pursuant to an order of the House, proceeded to examine into the several matters referred to their consideration, and have unanimously agreed to the following report, viz. : —

" Your committee have examined the total amount of outstanding demands on the Bank of England, and likewise of the funds for discharging the same, and think it their duty, without loss of time, to state those total amounts, and to report the result thereof to the House.

" Your committee find upon such examination that the total amount of outstanding

demands on the Bank, on the 25th of February last, to which day the accounts could be completely made up, was £ 13,770,390, and that the total amount of the funds for discharging those demands, not including the permanent debt due from the government of £ 11,686,800, which bears an interest of three per cent., was, on the same 25th day of February last, £ 17,597,280, and that the result is, that there was, on the 25th of February last, a surplus of effects belonging to the Bank beyond the amount of their debts, amounting to the sum of £ 3,826,890, exclusive of the above-mentioned permanent debt of £ 11,686,800 due from government.

"And your committee further represent that, since the 25th of February last, considerable issues have been made by the Bank in bank-notes, both upon government securities and in discounting bills, the particulars of which could not immediately be made up; but as those issues appear to your committee to have been made upon corresponding securities, taken with the usual care and attention, the actual balance in favor of the Bank did not appear to your committee to have been thereby diminished." \*

According to an account delivered into the House of Commons by the chief cashier of the Bank, the following sums of money were the outstanding advances by the Bank for the public service up to the 9th of March, 1797:—

Advanced on land and malt, . . . . .	£ 5,911,000
On the consolidated fund, 1796, . . . . .	1,323,000
Vote of credit, . . . . .	811,400
Advanced on treasury bills till 9th of March, 1797, . . . . .	1,943,210
Advanced to the Lords of the Treasury on exchequer bills to the 9th of March, . . . . .	290,000
Loan to government on unclaimed dividends without interest, . . . . .	376,000
Total interest, . . . . .	580,670
	<hr/>
	£ 11,235,280

Let us pause awhile and take a retrospective view of the whole of the correspondence of the Board of Directors with the government, by which it will at once appear, that, instead of the drain on the Bank for specie by the public being the effect of "ill-founded alarm in different parts of the country" (see order in Council), the difficulties of the Bank were

\* Account of the Finances of the Bank on the 25th of February, 1797:—

Dr.		Cr.	
Bank-notes, . . . . .	£ 8,640,260	Bills, notes, cash, &c., . . . . .	£ 4,176,080
Drawing accounts, . . . . .	2,399,600	Exchequer bills, . . . . .	8,228,000
Exchequer bills deposited, . . . . .	1,676,000	Lands and tenements, . . . . .	65,000
Unpaid dividends, . . . . .	963,730	Money lent to East India Company on annuities of £ 1,200,000, . . . . .	700,000
Bank stock dividends unclaimed, . . . . .	45,150	Stamps, . . . . .	1,510
Dividends unclaimed, East India Company annuities, . . . . .	10,210	Navy bills, . . . . .	15,890
Sundry small sums unclaimed, . . . . .	1,330	American debentures, . . . . .	54,150
Due from chief cashier on loan, 1797, . . . . .	17,080	Petty cash in the house, . . . . .	5,320
Unpaid Irish dividends, . . . . .	1,480	Sundry articles, . . . . .	24,150
Unpaid imperial loan, . . . . .	5,600	Navy 5 per cents, . . . . .	795,800
Balance in favor of Bank, . . . . .	3,826,890	5 per cents, 1797, . . . . .	1,000,000
		Treasury bills paid for government, . . . . .	1,512,270
		Loan to government, . . . . .	376,000
		Bills unpaid, . . . . .	88,120
		Treasury and Exchequer fees, . . . . .	740
		Interest on different sums lent to government, . . . . .	554,250
			<hr/>
Total liabilities, . . . . .	£ 17,597,280	Total resources, . . . . .	£ 17,597,280

45 \* 55

wholly attributable to the circumstance of their having placed nearly all their available funds in the hands of the government, which naturally deprived them of the means of paying the public creditors; in short, the directors, in their correspondence, state the cause to be "from loans and other subsidies."

The exercise of the power by the state, of causing the Bank to commit an act of bankruptcy, and afterwards screening them from the consequences, was undoubtedly as unconstitutional as it was unjust to all other bankers. For when was it known that a banker, being called upon to pay his notes, made expressly payable on demand, was allowed to substitute other notes in lieu of cash? When a banker is so indiscreet as to lock up his capital in such securities as are not available in the event of any hostile combination or panic, the natural result is a suspension of his business, and not unfrequently his ultimate ruin.

To show whence the real cause of the difficulties of the Bank arose, we extract from the minutes of the evidence taken before the committee of the House of Lords on the 24th of March, 1797, some of the interrogatories to the Governor, and his answers, which place the matter in a clear and intelligible light.

"Q. Have you, at any one of the conferences you have had with the Chancellor of the Exchequer, as Governor of the Bank, made representations to him of the danger to the Bank from the diminution of its specie? A. Often.

"Q. Can you state the dates of such representations?

"A. There are a variety of dates, but I cannot recollect them; I think the first by the Bank was in December, 1794, when I was directed to make such representations.

"Q. Do you conceive that every exertion has been made by the Bank to obtain repayment of the advances made to government since the 1st of January, 1795?

"A. Yes; save that of lending more.

"Q. If, in consequence of the various remonstrances that have been made to the Chancellor of the Exchequer, the advances by the Bank to government had been either paid off or greatly diminished, do you not conceive it would have enabled the Bank to regulate, at their discretion, the amount of the bank-notes in circulation?

"A. Undoubtedly.

"Q. If the advances had been either paid off or greatly diminished at the periods you applied for such payments, do you think the necessity of the order in Council for suspending the payments in cash on the 26th of February would have existed?

"A. Had the advances to government been considerably less, I do not think the order in Council would have been necessary."

The advances to government were generally four or five times greater than the private discounts; and it is evident that, in proportion as the former are extended, the ability to increase the latter must be diminished. To those who are ignorant of the nature of this establishment, and who look over the foregoing statement with the least attention, it must appear that its principal objects were directed towards enabling a minister to lavish the public revenue much faster than it could ever be collected, and to furnish him with the means of engaging in the most extravagant and ruinous expenses, before his prodigality could be submitted to the deliberation of Parliament.

On the 30th of May, 1797, Sir William Pulteney submitted to the House of Commons a bill "for the erection of a new bank, in case the Bank of England did not pay in specie on the 24th of June, 1797." He entered into a detailed statement of transactions respecting the Bank;

pointed out the mischief produced by monopoly, contending that the monopoly of the Bank was no better than a premium for indolence and neglect; and that competition would animate the spirit of enterprise and industry. He enumerated a variety of facts to convince the House that the Bank had forfeited its charter by violating its engagements with the public.

Mr. R. B. Sheridan said, "he considered it a farce to call that a bank whose promise to pay on demand was paid by another promise to pay at some undefined period. It was ridiculous to think of placing confidence in paper, upon any principle but that of its being paid when it became due."

Mr. Pitt informed the House, that a successful progress had been made for some weeks past towards reopening the Bank for payment in specie; but no person had ever determined the precise moment when this ought to be done, or that it should positively be on the 24th of June. He concluded by giving his negative to the bill, which, on a division, was lost.

At a Court of Directors of the Bank of England, held on Thursday, 26th October, 1797, it was resolved, —

"That it is the opinion of this committee that the Governor and Company of the Bank of England are enabled to issue specie, in any manner that may be deemed necessary for the accommodation of the public; and the court have no hesitation to declare that the affairs of the Bank are in such a state that it can with safety resume its accustomed functions, if the political circumstances of the country do not render it inexpedient. But the directors, deeming it foreign to their province to judge of these points, wish to submit to the wisdom of Parliament whether, as it has been once judged proper to lay a restriction on the payments of the Bank in cash, it may or may not be prudent to continue the same."

The Committee of Secrecy appointed to inquire "whether it may be expedient to continue the restriction contained in two acts made in the last session of Parliament, respecting payments in cash by the Bank," made their report in November, 1797, by which they recommended that, "notwithstanding the affairs of the Bank, both with respect to the general balance of its accounts and its capacity for making payments in specie, are in such a state that it might with safety resume its accustomed functions under a different state of public affairs; yet that it will be expedient to continue the restriction now subsisting on such payments, for such time, and under such limitations, as to the wisdom of Parliament may seem fit."

In the year 1798, the Parliament having passed an act whereby voluntary contributions for carrying on the war were rendered legal, the Bank of England took the lead, and contributed £200,000, and the city of London £10,000. A temporary office or hustings was erected under the east piazza of the Royal Exchange for the purpose of receiving subscriptions. The area was filled with merchants and traders, who eagerly crowded in to subscribe sums from one guinea upwards. At the close of the first day the subscription amounted to £256,534.

Mr. Robert Peel of Bury, in Lancashire, afterwards Sir Robert, a manufacturer and printer of calicoes, paid into the Bank of England the sum of £10,900 as his own voluntary contribution.



It is no slight proof of the opulence and commercial prosperity of this country, that these voluntary subscriptions produced the enormous sum of two millions, exclusive of £ 300,000 remitted from India.

In the month of March, 1799, the Bank made transfers to the proprietors of the Loyalty five per cent. stock belonging to the Bank, at the rate of ten per cent. on their capital, as a part of their accumulated profit. This was in addition to their usual dividend of seven per cent. per annum; and was the first to the stockholders.

The Bank Restriction Act, which Mr. Pitt first contemplated with alarm, he afterwards declared to have produced the same effect as if he had discovered a mountain of gold.

## STATE FINANCES.

### NORTH CAROLINA.

THE Committee on Finance to whom was referred that portion of the Message of his Excellency, Governor Manly, relating to "Finance and State Debts," have given the subject anxious and deliberate consideration, and report that, in their opinion, the actual liabilities of the State for the years 1851 and 1852 are made much too large by his Excellency's estimate, which the following statement, with the remarks therein, will go to show.

#### *Statement of Liabilities of the State for 1851 and 1852.*

	<i>Principal.</i>	<i>Int. for 1851.</i>	<i>Int. for 1852.</i>
1. On account of Raleigh and Gaston Railroad bonds, . . .	\$ 500,000.00	\$ 30,000.00	\$ 30,000.00
2. Ditto, interest and \$ 30,000 principal, . . .	106,000.00	36,360.00	34,560.00
3. Due Literary Fund for money used, . . .	118,192.00	7,091.62	7,091.62
4. Ditto, in bonds, . . .	40,380.00	2,421.60	2,421.60
5. Bonds issued to banks, &c., . . .	200,000.00	12,000.00	12,000.00
6. Fayetteville and Western Plank Road bonds, . . .	60,000.00	3,600.00	3,600.00
7. Ditto, yet to be issued, . . .	60,000.00	1,800.00	3,600.00
8. Cape Fear and Deep River Company, . . .	20,000.00	600.00	1,200.00
9. Ditto, 1st January, 1852, . . .	20,000.00		1,200.00
10. Neuse and Tar River bonds, . . .	65,000.00	1,950.00	3,900.00
11. Bank Cape Fear, . . .	40,000.00	2,400.00	2,400.00
12. North Carolina Railroad, two millions to be provided for, January 1st, 1852, . . .	600,000.00		30,000.00
July 1st, 1852, . . .	600,000.00		15,000.00
		\$ 98,223.12	\$ 146,973.12
Add ordinary expenses of State, . . .		75,000.00	75,000.00
		\$ 173,223.12	\$ 221,973.12
Deduct receipts at treasury, according to present revenue law, . . .		148,972.00	148,972.00
		\$ 24,251.12	\$ 73,001.12
Deficit to be provided for in 1851, . . .		\$ 24,251.12	
Deficit to be provided for in 1852, . . .			73,001.12
Interest on \$ 24,251.12, deficit for 1851, . . .			1,455.06
Whole amount for 1852, . . .			\$ 74,456.18

## THE FUTURE SUPPLY OF GOLD.

From the London Times, November 7, 1851.

THE question as to the probable effects of an abundance of gold is again in agitation. California has thus far realized more than was expected by the most sanguine, the product at the end of each year having exceeded the highest estimate at the commencement, and there are now indications of a similar promise from the new regions in Australia. A disposition still prevails to believe that no extraordinary changes in the relation of money are impending. When the California mines were first discovered, it was admitted that if any thing like eight or ten millions sterling should annually be produced for a series of years, there could be no doubt strange effects would be seen. But it was contended that, instead of this continued yield, there would be a gradual decline after the first year or two. That idea being now effectually set aside, a new argument is adopted. The exports of gold from California, for the twelve months ending the 31st of December, 1850, were equal, it is supposed, to £ 12,000,000, while for the present year, judging from the first nine months, they may be estimated at £ 15,000,000. In the face of this supply there has been no observable disturbance of value. It is therefore assumed, that the augmented quantity has been met by an augmented demand, and that with the increasing traffic of the world a like annual addition will henceforth be absorbed.

This inference, although it is urged by some able economical writers, appears altogether unsupported. The only tests of the result of the increased supply would be an alteration in the relative value of gold and silver, or a general and unaccountable rise in the prices of all articles. But the extensive displacement of silver which has occurred in France, and which was plainly foreseen, has prevented the first of these from being available, except to a very limited extent, while, with regard to the second, the changes in our commercial system have been such as to produce a rapid fall in all commodities far more than sufficient to neutralize any moderate influences of an opposite kind.

Apart from free trade, moreover, there is quite enough to account for the increased influx having thus far produced no palpable manifestations. The Bank of France at this moment holds £ 8,000,000 sterling in excess of what she possessed in 1849 ; the extent to which hoarding both of gold and silver has been carried on all over the Continent during the past three years, and especially in Italy and throughout the Austrian empire, has perhaps been unprecedented ; a drain no less remarkable has been caused by the Irish emigration, which has carried large totals to Western America, where much of it will long remain ; and finally, there has been the return to India of a great portion of that specie which was suddenly drawn to England after the panic of 1847.

Exceptional circumstances exist, therefore, sufficient to render it unnecessary to assume that an increase in the demand for gold has suddenly sprung up to an extent such as steadily to absorb fifteen millions

per annum. The tendency of civilization is to render needless the use of the precious metals for purposes of barter, and although new colonies and settlements for a time create fresh demands, there is no reason to suppose that they more than counteract the economical influences elsewhere in progress. Even California herself is not believed to have absorbed, in the shape of circulation, more than two or three millions, while on the other hand we have to bear in mind the effects of extended banking accommodation and the use of money orders, postage stamps, and other similar contrivances, which are more or less imitated in every part of the world.

Hence we may still infer, that, previously to the discovery of California, the production of gold, increased as it had been by the large supply from Russia, was equal most probably to the annual demand; that its value is consequently liable to be reduced nearly to the extent of the exports from California, and that such reduction will of course be measured by the proportion which the new supply may bear to the existing stock. What the amount of that stock may be is wholly unknown, but there can be little question that fifteen millions per annum is not relatively an insignificant addition to it. Some investigators have surmised that four hundred millions is about the total in circulation throughout the world. If that can be taken as in any degree correct, it will be easily understood that the Californian supplies must soon make themselves seriously felt whenever the condition of Europe shall cause the quantities now eagerly secreted to return to active purposes.

But it is, after all, not a question of an addition of fifteen millions per annum. If any reliance can be placed on ordinary evidence, the production from California alone is only likely to be limited by the amount of population able to reach the State and the rapidity of the arrangements for obtaining machinery. It is impossible to name any other reason why the fifteen millions should not be increased to thirty or sixty. No word of failing supplies has yet reached us. On the contrary, the miners seem disposed to welcome as many fellow-laborers as may see fit to join them, and every one asserts that the whole country is rich, and that, as far as the present generation are concerned, it may be pronounced inexhaustible. The old impression that gold is never found in large or continuous quantities is wholly dispelled, and scarcely any news could now arrive from California, Bolivia, Peru, or Australia, that would take the public greatly by surprise.

In the face of these circumstances, it must be injurious to encourage the tendency, always too strong in the majority of minds, to believe that the old routine of things is to go on as it has always gone. It can do no harm to keep the possibilities of the case constantly in view, so that people may learn gradually and quietly to adapt their interests to whatever may occur.

At the same time, it may be questioned if the changes destined to be produced will not be so balanced in their operation as greatly to diminish the relative disturbance among the various interests that must be affected by them. On the 22d of February, 1849, the *Times* gave an outline of the primary effects to be looked for from any striking alteration of the

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relations between the precious metals and property in general, and the subject has been dealt with elsewhere and on other occasions until the public have become familiar with it. But although the fact is understood, that real estate and all properties, the rent or charge for which can be raised at will, are secure from depreciation in case of an increased currency, while the property of annuitants, on the contrary, will be exposed to it, there are a vast number of modifications to be taken into account by which this course of affairs may be singularly influenced. The impulse of many, when they first glance at the question, is to sell annuities and buy land. Others think justly, that railways, steam-vessels, houses, machinery, &c., must be equally or still more desirable.

The march of progress, however, which has brought about the late discoveries of gold, must also bring changes that will affect in some measure the fixedness even of these possessions. While the distance between the United States and England is being lessened year by year, in a way that bids fair to constitute them neighboring countries, the fact that lands are to be had in abundance at from 5s. to 20s. per acre on one side must operate powerfully on the value of similar holdings on the other. The improvements in modes of building, such as have been foreshadowed by the construction of the Crystal Palace, must likewise impart a more temporary character to existing house property. The same is to be said with regard to ships, railroads, canals, and all things that come within the range of scientific advancement. In this way it will be seen that, while the annuitant will be unable to rely on the perpetuity of his income furnishing him with an exemption from the necessity of vigilance, labor, or enterprise, the same fate awaits most of those who are embarked in different investments. The alarm of one class, therefore, may be mitigated by the fact that all others will be more or less affected by analogous conditions; and the promise for the future is, that, while it will be difficult for persons of wealth to find any secure resting-place for indolence, the universal activity that will be called up will furnish continuous rewards to sagacity and exertion, such as have never before been offered to any age

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## DECISIONS OF THE SUPREME COURT OF MAINE.

(Continued from page 483.)

- II. *Bills of Exchange and Promissory Notes.* 13. *When subject to Equities between other Parties.* 14. *Pleadings and Evidence.*
- 15. *Damages on Bills of Exchange.*
- III. *Interest.*
- IV. *Usury, — In General, — Evidence, — Remedy..*

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NOTE. Our December No. contained an abstract of the decisions upon banks, banking, bills of exchange, &c. The following pages include the remainder of the decisions on the above important topics.  
—ED. B. M.

24. Where a joint owner of personal property sells it, and takes notes therefor, in his own name, payable on time, which he transfers for his own benefit, his co-tenants may immediately commence an action against him, though the notes may not have become payable. *Hinckley v. Fowler*, 15 Maine, 285.

25. If a prior indorser again gets possession of a bill, he will be entitled to maintain an action thereon in his own name, and may strike out or not, as he pleases, his own and all subsequent indorsements. *Warren v. Gilman*, 15 Maine, 70; *Green v. Jackson*, 15 Maine, 136.

26. The holder of a bill or note is entitled to an action against the drawer or indorser as soon as due diligence has been used to give each of them notice, but no suit against either, commenced before enough has been done to render either absolutely liable, can be maintained. *Green v. Darling*, 15 Maine, 139; *Lunt v. Adams*, 17 Maine, 230.

27. An action can be maintained immediately against the drawer of a check who has no funds in the bank, without demand or notice. *Homes v. Smyth*, 16 Maine, 177.

28. A town may maintain a suit as indorsee upon a note purchased by it to meet an expected claim by the payee upon it. *Augusta v. Leadbetter*, 16 Maine, 45.

29. If a negotiable note, indorsed in blank by the payee, be lost, and the indorsee afterwards assigns to another his right thereto, such assignee cannot maintain an action at law in his own name on such lost note. *Willis v. Cresey*, 17 Maine, 9.

30. An assignee of a note, payable in specific articles, may recover in an action in his own name, if the maker has made an express promise to pay to him. *Smith v. Berry*, 18 Maine, 122.

31. The indorsee of a negotiable note may, with the consent of the indorser, maintain an action thereon in the indorser's name for his benefit. *Lewis v. Hodgdon*, 17 Maine, 267.

32. The contract of a guarantor is, in its very nature, not negotiable, and an action can be maintained thereon only by the party with whom it was originally made. *Springer v. Hutchinson*, 19 Maine, 359.

33. A note payable to a person named or bearer, is payable to bearer, and one who has obtained possession of it *bonâ fide*, and for a valuable consideration, can maintain an action thereon, without showing any consideration between the maker and the person to whom it was made payable. *Eddy v. Bond*, 19 Maine, 461.

34. The holder of a bill, though others may have an interest in it, may maintain an action thereon in his own name. *Louney v. Perham*, 20 Maine, 235.

35. Where a note was made by a principal and sureties, payable to a person from whom it was expected the money might be received therefor, but who declined to furnish it, and the sureties consented that the note might be delivered to any one who would advance the money, it is available against the sureties in an action for the benefit of such person, in the payee's name, with his consent. *Starrett v. Barber*, 20 Me. 457.

36. In this State it is sufficient to enable a person to maintain an action on an indorsed note, that the nominal plaintiff has assented to the

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suit, and that it has been authorized by the party in interest. *Gage v. Johnson*, 20 Maine, 437; *Sibley v. Robinson*, 23 Maine, 70; *Marr v. Plummer*, 3 Greenl. 73.

37. An administrator may maintain an action in his own name on a note indorsed in blank, which was the property of the intestate at the time of his death, without declaring as administrator. *Gage v. Johnson*, 20 Maine, 437.

38. In an action by an indorsee against an indorser of a note, where it does not appear but that the plaintiff has a right of action against both maker and indorser on the note, he cannot, without returning the note to the indorser, rescind the contract, and recover, upon the money counts, the consideration paid to the indorser for the note, by proof that it was obtained from the maker by fraud and misrepresentation. *Cushman v. Marshall*, 21 Maine, 122.

39. To enable the plaintiff to maintain an action on a note, payable at a particular place and time, an averment and proof of a demand at such place and time are not necessary. *McKenny v. Whipple*, 21 Maine, 98; *Gammon v. Everett*, 25 Maine, 66; *Lyon v. Williamson*, 27 Maine, 149; *Remick v. O'Kyle*, 3 Fairf. 340; *Bacon v. Dyer*, 3 Fairf. 19.

40. No action can be commenced by the indorsee of a note unless it was indorsed by the payee *before* the commencement of the suit. *Clark v. Peabody*, 22 Maine, 500.

41. If a negotiable instrument be taken as collateral security for an existing debt, the holder may sue thereon; and, failing of success in such suit, may resort to his original security without restoring that taken as collateral. *Comstock v. Smith*, 23 Maine, 202.

42. If a note is payable in several annual payments, the cause of action accrues for the first instalment as soon as it is payable. *Burnham v. Brown*, 23 Maine, 400.

43. A bill of exchange, note, or order, payable to a particular person, having been paid by one who was bound to pay it, and who had no right to call upon any other party for repayment, is *functus officio*, and does not legally exist, and no action is maintainable upon it. *Ballard v. Greenbush*, 24 Maine, 336.

44. This does not apply to a bank-note, which is not a contract with any particular person, but with its bearer. *Ibid.*

See *Construction*, 5, 8; *Negotiability and Transfer*, 2, 5; *Presentment, Demand, and Notice, Necessity of*, 7; *Rights and Liabilities, &c.*, 25; and *Defences*, 5.

## 2. When subject to Equities between other Parties.

1. A note given to A as B's agent was afterwards transferred to B by indorsement; *Held*, that the same defence might be made against B as if he had been the original payee. *Thorndike v. Godfrey*, 3 Greenl. 429.

2. When the indorsee of a note has a lien upon only part of the amount, as collateral security for money due from the payee, a debt due from the payee to the maker may be set against the residue upon motion. *Moody v. Towle*, 5 Greenl. 415.

3. The right of the maker of a note, negotiated when overdue, to set up, as a defence against the indorsee, transactions between himself and the payee, before its transfer, extends to every thing which would have been available against the payee, and is not confined to merely equitable defences. *Tucker v. Smith*, 4 Greenl. 415; *Barrett v. Barrett*, 8 Greenl. 353; *Hatch v. Dennis*, 1 Fairf. 244; *Lane v. Padelford*, 14 Maine, 94.

4. In an action by the indorsee of a dishonored bill or note, the defendant may avail himself of demands against the indorser, accruing prior to the transfer, in set-off. *Shirley v. Todd*, 9 Greenl. 83; *Barney v. Norton*, 2 Fairf. 350.

5. In an action by an indorsee against the maker of a note, transferred before it was payable and without any notice of a defence, in payment of a preëxisting debt, want or failure of consideration, or other equities between the original parties, cannot be set up in defence. *Homes v. Smyth*, 16 Maine, 177; *Norton v. Waite*, 20 Maine, 175.

6. If a note has been indorsed and transferred *bonâ fide*, before it is due, as collateral security for a demand less than its nominal value, a subsequent payment by the maker to the payee cannot be shown, in an action by the indorsee against the maker, to reduce the amount of the judgment to the sum actually due the indorsee. *Gowen v. Wentworth*, 17 Maine, 66.

7. If the payee of a negotiable note, then overdue, knowing that it is in the hands of an indorsee for value, agrees to pay it, he cannot file in set-off claims arising after that time. *Lewis v. Hodgdon*, 17 Me. 267.

8. The indorsee of a note can secure to himself, by the indorsement of a note overdue, only such rights as the payee himself then possessed. *Burnham v. Tucker*, 18 Maine, 179.

9. A party cannot take advantage of equitable claims against an indorser, in an action by an indorsee, unless he files them in set-off. *Wood v. Warren*, 19 Maine, 23.

10. In an action by the indorsee of a note, indorsed before its maturity "without recourse," held, that the judge rightly instructed the jury to find for the defendants, if there was fraud between the plaintiff and defendants, inducing the latter to make the purchase and give the note; or if there was fraud between the vendors and defendants in obtaining the notes of which plaintiff was cosusant; or if there was a mistake which went to the essence of the contract, and plaintiff was instrumental in procuring the contract to be made. *Herrick v. Johnson*, 23 Me. 188.

### 3. Defences.

1. A person sold goods to another, then in the hands of a third party, made a bill of parcels, charging the goods to the purchaser and crediting his note for the balance. On the vendee's delivering an order from the vendor to the party having them in custody, the latter refused to deliver them. In an action by the vendor upon a note given for the price, held, that the vendee might seek his remedy on the order, or be allowed, by way of defence to the action, the amount he would thus be entitled to. *Aldrich v. Fox*, 1 Greenl. 316.

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2. In an action upon a promissory note given for the purchase-money of land conveyed by deed, with the usual covenants of seizin and warranty, the action being between the original parties, it is not competent for defendant to set up in defence a partial or total failure of title, or a want of title in the grantor at the time of the conveyance. *Lloyd v. Jewell*, 1 Greenl. 352.

3. And where the deed contained an express stipulation, that, upon a breach of any covenant contained therein, the damages might be payable in cash, to the amount received in money, and the residue by delivering up such of the grantee's notes as remain unpaid; in an action upon one of the notes, some of them having been paid and the others still due, the defendant was not permitted to show a breach of the covenant of seizin, as to a parcel of the land, to the value of the note declared on. *Ibid.*

4. Where one holding a right to redeem lands under a mortgage made a bond to the defendants, conditioned to convey a parcel thereof to him by warranty deed, on payment of certain notes given by him for the purchase-money, and died insolvent, the mortgage remaining; *Held*, that the failure of consideration was no defence to an action by the administrator on the note. *Read v. Cummings*, 2 Greenl. 82.

5. An action may be supported in this State against one of two joint promisors on a note, though a judgment has been obtained against the other in another State, such judgment not having been satisfied. *Dennett v. Chick*, 2 Greenl. 191.

6. In an action on a note of hand, given for the price of land, conveyed by plaintiff to defendant by deed of release and quitclaim without covenants, it is not a defence that the plaintiff represented his title to be in fee simple, it being but an estate for life or years; nothing short of total failure of title being in such case a good defence. *Howard v. Witham*, 2 Greenl. 390.

7. It is not a good defence to an action by an administrator on a promissory note, payable to the intestate, that the defendant gave the intestate a deed of his farm, as collateral security for the debt, under an agreement that the latter should give him a bond for the reconveyance of the farm when the note should be paid, and that the bond was never executed. *Woodman v. Woodman*, 3 Greenl. 350.

8. A covenant never to sue one of two or more joint obligors cannot be pleaded as a release, except in a suit between the same debtor and creditor; nothing short of full payment by one of several joint debtors, or a release under seal, can discharge the others. *Walker v. McCulloch*, 4 Greenl. 421.

9. A, being employed to sell lumber for B, took a note for it, payable to B. B transferred the note and the lumber that remained to A, taking A's note for the estimated amount; it being verbally agreed that A should only pay so much as might actually be obtained from the property so transferred. It being proved that A had used due diligence to collect the note so taken by him as agent, and transferred to him, it was *held*, that the facts might be shown in defence to an action on the second note brought by B against A, to prove a partial failure of consideration. *Folsom v. Mussey*, 8 Greenl. 400.



10. In an action by the indorsee of a dishonored bill against the acceptor, the latter may avail himself of demands against the indorser, accruing before the transfer, by filing them in offset, under the statute of 1821, c. 59, § 19, so far as may be material for his defence. *Stirley v. Todd*, 9 Greenl. 83.

11. In an action upon a promissory note, where the plaintiff relies upon indorsements thereon to prevent the statute of limitations, he may, as to mere order of time, read the indorsements before proving that they were actually written upon the note at their date, or within six years after its maturity. *Clapp v. Ingersol*, 2 Fairf. 83.

12. But it seems that such indorsement would be of no avail unless accompanied by some other proof of payment. *Ibid.*

13. A partial payment made to the original payee of a note within six years will take it out of the statute, though the action be brought in the indorsee's name. *Howe v. Thompson*, 2 Fairf. 152.

14. In an action on a promissory note, brought by the indorsee who had taken it when overdue, the defendant filed his account against the payee up to the time of the indorsement in set-off; *Held*, that it was competent for the plaintiff to exhibit proof of the payee's account against the defendant, or other repelling evidence against the set-off. *Barney v. Norton*, 2 Fairf. 350.

15. Where an agent who had hired a man to labor for his principal gave his own note therefor, but with the understanding that it was to be taken up by the principal, and the latter refused so to do, and payment thereof was afterwards enforced against the agent; *Held*, that the statute of limitations on the claim of the latter against the principal would commence running only from the time of such payment. *Gilmore v. Bussey*, 3 Fairf. 418.

16. No averment or proof of demand is necessary on a promissory note, payable at a particular place, whether on demand or at a specified time; but if the maker was ready to pay at the time and place specified, this is matter of defence. *Bacon v. Dyer*, 3 Fairf. 19; *Remick v. O'Kyle*, lb. 340; *Gammon v. Everett*, 25 Maine, 66.

17. Where a bill of exchange is entitled to grace, the statute of limitations begins to run from the last day of grace. *Pickard v. Valentine*, 13 Maine, 412.

18. If a promissory note has been indorsed and transferred *bonâ fide*, before it fell due, the want of consideration is not an available defence against a subsequent holder, to whom it was passed by the indorsee after it fell due. *Smith v. Hiscock*, 14 Maine, 449.

19. And if the note was thus indorsed as collateral security for a demand short of its nominal value, want of full consideration is not a valid defence. *Ibid.*

20. In an action on a note by an indorsee, who had taken it before it became payable, without any notice of a defence, in payment of a pre-existing debt, want of consideration, or failure of, it cannot be shown. *Homes v. Smyth*, 16 Maine, 177; *Lewis v. Hodgdon*, 17 Maine, 267.

21. The statute of 1838, ch. 343, in addition to the limitation act of 1821, extending to an indorsee the same right to sustain an action upon

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a negotiable note attested by witnesses, after six years, as the original promisee possesses, applies to an action on a witnessed note, held at the time of the passage of the act of 1838. *Quimby v. Buzzell*, 16 Me. 470.

22. In an action between the original parties upon a note, given as the consideration of a bond for the conveyance of land at a future day, the maker was permitted to prove, in defence, that the contract was made and note given in consequence of the false and fraudulent representations of the plaintiff as to the quantity of timber on the land; though the defendant had not offered to return the bond till the trial, long after the expiration of the time agreed upon for the conveyance, and had not shown that he remained ignorant of the fraud. *Wyman v. Heald*, 17 Me. 329.

23. Where B, an indorsee who had taken a note when overdue, obtained judgment thereon against the maker, and the latter had obtained judgment against his indorser, on a note given to him, before the indorsement, by B's assignor; *Held*, that the latter judgment may be set off against the former. *Burnham v. Tucker*, 18 Maine, 179.

24. It is no defence to an action on a note secured by mortgage, that the mortgagee has entered for foreclosure, and that the premises are of more value than the debt thereby secured, unless the time of redemption has expired. *Portland Bank v. Fox*, 19 Maine, 99.

25. Want of consideration is no defence to an action on a bill or note negotiated and indorsed before it was payable, if the plaintiff or any intermediate party between him and the defendant took it *bonâ fide* and for a valuable consideration. *Hascall v. Whitmore*, 19 Maine, 102.

26. Want of consideration is a good defence to an action on a bill accepted by the defendant and delivered to the plaintiff on a contract invalid for want of consideration, on which the defendant was surety. *Norton v. Heywood*, 20 Maine, 359.

27. In an action on a note payable at a particular place on demand, bringing the action is a sufficient demand; and proof of a readiness to discharge the obligation at the place on the day of the commencement of the action, and bringing the money into court, would be a bar to damages. *McKenny v. Whipple*, 21 Maine, 98.

28. At the foot of a promissory note, at the left of the signatures of the promisors, was a memorandum, that interest had been paid to a certain day; and below this memorandum was written, "Attest, J. S. B.," all being in his handwriting except the signatures of the promisors. This does not make it a witnessed note within the exception of the statute of limitations. *Fryeburg Parsonage Fund v. Osgood*, 21 Maine, 176.

29. A payment of interest, indorsed on a note, and made within six years before the commencement of the suit, though for a year's interest that had become due more than six years before that time, is sufficient to take the case out of the statute of limitations. *Ibid.*

30. A partial failure of title to land is no defence *pro tanto* to a note given therefor. *Wentworth v. Goodwin*, 21 Maine, 150.

31. If a promissory note has been indorsed and transferred for value, before it fell due, to an innocent indorsee, want of consideration cannot be set up as a defence against a subsequent indorsee, although such indorsee had been notified before the transfer to him that the note was

without consideration. *Dudley v. Littlefield*, 21 Maine, 418; *Hascall v. Whitmore*, 19 Maine, 102.

32. The plaintiff received a note from J. & Co. as the consideration for the conveyance of certain land, the sale of which was procured by the plaintiff's fraud. That note was put in suit, and the action settled by paying a part thereof in cash, and giving a draft for the balance, accepted by them, and, at their request, indorsed by the defendants. J. & Co. sold a part of the land to others, and did not reconvey nor offer to reconvey to plaintiff. The plaintiff brought a suit against J. & Co., as acceptors of the draft, and recovered judgment against them, they then knowing the facts. In a suit against the defendants as indorsers of the draft, *held*, that, under such circumstances, the plaintiff's fraud in the sale of the land furnished no sufficient ground of defence to the action. *Thayer v. Jewett*, 22 Maine, 19.

33. Where the plaintiff took a note of the then holder, and paid the money for it, on the express promise of the maker to pay its amount to him in sixty days, the maker cannot set up a prior failure of consideration in defence, though the plaintiff previously knew the facts in relation thereto. *Brown v. Daggett*, 22 Maine, 30.

34. And it can make no difference that the money so paid for the note was appropriated at the time to the payment of a note on which the plaintiff was before liable as surety to the holder. *Ibid*.

35. Where a note payable to a person or bearer was transferred by the payee to his creditor, as collateral security for a debt due from the payee to him, and a suit was brought by the creditor on such note in his own name against the maker, it is no defence if the latter can show that the payee has paid his own debt, and was entitled to have the note returned to him before the commencement of the suit. *Sibley v. Robinson*, 23 Maine, 70.

36. To constitute a valid defence to a note given for boards in Penobscot County, not surveyed according to the regulations of the act providing for such survey in that county, it must be shown, not only that such boards were sold in the county without survey, but that they were not bought for home consumption, nor for the defendant's own use, and that the parties did not agree to have the boards shipped without survey. *Whitman v. Freese*, 23 Maine, 185.

37. If an agent sell his principal's property, and, in payment to the owner therefor, indorse a note not taken for the property sold or any part thereof, such agent cannot set up want of consideration as a defence in an action against him as indorser. *Crocker v. Getchell*, 23 Maine, 392.

38. If a note be made payable in several annual payments, the statute of limitations begins to run against each instalment from the time it becomes due. *Burnham v. Brown*, 23 Maine, 400.

39. Defect of title, to be a valid defence to an action on a note, must be entire, and such that nothing valuable passes by the conveyance. *Jenness v. Parker*, 24 Maine, 289.

40. In this State, it has not been authoritatively settled that a *total* want of title is not a good defence to a note given in consideration of a conveyance, when not in the hands of an innocent indorsee. *Ibid*.

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41. If a note be given in consideration of an assignment of one half of a bond or contract, by a third person, for the conveyance of land, on making certain payments; and the contract is, that, in addition to the note, the maker thereof should pay to the obligor one half the purchase-money in instalments, and neither party makes his payments, but no injury is thereby sustained, and all parties treat the contract as still subsisting, such neglect of payment furnishes no defence to a suit on the note on the ground of a failure of consideration. *Dyer v. Burnham*, 25 Maine, 9.

42. And if such bond or contract is forfeited on account of non-payment by both parties, and the payee of the note afterwards joins with others in obtaining a new contract on more favorable terms, this is no defence to the suit. *Ibid.*

43. Where a joint note was made by four, and, before its maturity, two of the promisors paid "two thirds of the within note, principal and interest, being their part," and it is so indorsed thereon, they are not thereby discharged from payment of the residue. *Coburn v. Ware*, 25 Maine, 330.

44. After twenty years, witnessed notes are barred by the statute of limitations. Rev. Stat. c. 146, § 11. *Joy v. Adams*, 26 Maine, 330.

45. Where the holder of a note receives from the maker a smaller note, and agrees that, if the latter be paid at maturity, he shall be discharged from his liability on the other, this does not, of itself, discharge him from such liability; but, for a defence to an action on the larger note, he must prove that payment of the smaller note was made or tendered at the time it became payable, or was prevented by the wrong of the holder, or that he has adopted the new note in discharge of the old one. *Jenness v. Lane*, 26 Maine, 475.

46. And the maker cannot avail himself of this agreement as a defence to an action on the first note, without a strict performance or waiver, and it is not waived if the holder, an inhabitant of another State, takes the new note to his place of residence; nor if he omits to make demand and notify the indorser, or to tender the new note to the maker or notify him that he intends to claim payment of the old note. *Ibid.*

47. To an action on a note payable at a particular time and place, though the maker show that he was there at such time and place ready to make payment, and the holder was not there to receive it, yet, if the holder afterwards make demand at such place and cannot obtain payment, the maker's readiness to pay at the time and place specified is no defence. *Lyon v. Williamson*, 27 Maine, 149.

48. A partial failure of consideration for a note, given in payment for lands sold, *not* arising out of a failure of title, but out of fraudulent misrepresentations as to the quantity of timber trees thereon, may be given as evidence in defence in a suit upon such note, while in the hands of the seller, or of one having no superior rights. *Hammatt v. Emerson*, 27 Maine, 308.

49. And if the purchaser has made a contract to sell a portion of the land conveyed to another, and gives to the seller, in part payment, a note signed by such other as principal and the purchaser as surety, this

does not take away the right of the latter to set up fraud in the contract as a defence. *Ibid.*

50. It is no defence to an action on a joint note, that one of the promisors has been summoned and defaulted as trustee of the payee, and has paid to the creditor in the trustee process the amount of the judgment, there being no evidence to show that he was adjudged trustee on account of the note. *Hutchinson v. Eddy*, 29 Maine, 91.

51. To a note of hand made in the Province of New Brunswick to the plaintiff, who has always resided there, the maker, though living in this State for eleven years, cannot set up as a defence our statute of limitations. *McMillan v. Wood*, 29 Maine, 217.

52. Where one brings a suit in the name of another party on a promissory note, the same defence may be made as if the real party were the party on the record. *Sproule v. Merrill*, 29 Maine, 260.

53. In an action on a note between the original parties, a partial failure of consideration, though the amount of it be unliquidated, may be proved by the defendant in mitigation of damages, and the jury may determine according to the evidence the amount of such failure. *Herbert v. Ford*, 29 Maine, 546; *Wadsworth v. Smith*, 23 Maine, 562.

54. The tendency of decisions in this country has been to allow a much broader latitude of defence than was allowed by the common law to actions on bills of exchange and promissory notes, where justice requires it, and circuity of action may be thereby avoided. Per Wells, J., *Herbert v. Ford*, 29 Maine, 546.

55. In an action on a note, not negotiable, made payable to the plaintiff for the benefit of a third person, who still remains the owner, the same defence may be set up as if the note had been payable to such third person. *Ibid.*

56. Nor, in order to make this defence, is it necessary that the party setting it up should restore what he had received under the contract. *Ibid.*

See *Actions, when and by whom maintainable*, 8, 9, 12.

## 2. Limitations.

See *Defences, In general; Pleadings, &c.*

## 14. Pleadings and Evidence.

1. In an action against the acceptor, the drawer of a bill is not a competent witness for the indorsee. *Scott v. McLellan*, 2 Greenl. 199.

2. When the declaration on a bill of exchange contains an averment of due notice of the dishonor of the bill, legal notice must be proved; and evidence that the holder had used due diligence to give notice, without effect, will not support the declaration. *Hill v. Varrell*, 3 Greenl. 233.

3. The rule, that a party to a negotiable promissory note is not admissible as a witness to prove it originally void, applies not only to actions on the note directly, but to all others where its validity comes in question, though collaterally. *Deering v. Sawtell*, 4 Greenl. 191.

4. The objection to the sufficiency of an indorsement of a note by an

executor, appointed under the laws of another State, may be taken under the general issue, in an action by the indorsee against the maker. *Stearns v. Burnham*, 5 Greenl. 261.

5. A count on a note payable on the occurrence of a certain event, or in a reasonable time, is not supported by evidence of a note payable only on the occurrence of the event; though it is proved that the contingency is rendered impossible by the misconduct of the defendant. The plaintiff should have alleged the facts tending to deprive the defendant of any excuse for not paying the money. *Hilt v. Campbell*, 6 Greenl. 109.

6. If a new promise be relied on as an answer to the statute of limitations, the declaration is founded on the original cause of action, and the new promise is to be set forth in the replication or adduced in evidence. *Barrett v. Barrett*, 8 Greenl. 353.

7. In an action by the indorsee of a bill or draft indorsed after it was due, against the acceptor, the declarations of the indorser, made while the interest was in him, are admissible in evidence for the defendant. *Shirley v. Todd*, 9 Greenl. 83; *Hatch v. Dennis*, 1 Fairf. 244; *Merrick v. Parkman*, 18 Maine, 407.

8. In an action by the payee against the drawer of a bill not accepted, the declarations of the drawee made at the time of presenting the bill, that he had no funds of the drawer in his hands, are not admissible in evidence, he not being the drawer's agent. *Carle v. White*, 9 Greenl. 105.

9. In an action on a note not negotiable, in the name of the payee, for the benefit of an assignee for value, the declarations and admissions of the payee, made subsequent to the assignment and notice, are inadmissible. *Matthews v. Houghton*, 1 Fairf. 420; *Hackett v. Martin*, 8 Greenl. 77; *Russell v. Doyle*, 15 Maine, 112.

10. The payee of a note, having indorsed it without recourse, is a competent witness for the indorsee against the maker, to prove a new promise within six years. *Howe v. Thompson*, 2 Fairf. 152.

11. In an action on a note payable in specific articles, parol evidence is admissible to show an agreement of the parties as to the place where they were to be delivered. *Wyman v. Winslow*, 2 Fairf. 398.

12. In an action on a promissory note, writings connected therewith by direct reference or necessary implication were held to be admissible in the defence as parts of the same contract. *Davlin v. Hill*, 2 Fairf. 434.

13. Parol evidence that a bill, absolute in its terms, was to be paid on a contingency, is inadmissible. *Cunningham v. Wardwell*, 3 Fairf. 466; *Boody v. McKenney*, 23 Maine, 517; *Sears v. Wright*, 24 Maine, 278.

14. So where A sold a cargo of lumber to B, taking his bill, payable unconditionally at the port of discharge, in an action on the bill, evidence that, about ten days before the making of the bill, A agreed to sell him a cargo of lumber for shipment, and to take the sea risk upon himself, was held inadmissible. *Cunningham v. Wardwell*, 3 Fairf. 466.

15. A purchased a quantity of goods of B, and gave his bills on C, which were protested for non-acceptance. In an action by B against C to recover the price, held, that A was incompetent as a witness for B, to show that he acted as C's agent. *Hewitt v. Lovering*, 3 Fairf. 201.

16. In a several action on a note by the payee against the surety, the principal is a competent witness; and his testimony is admissible to prove facts, happening after its execution, tending to discharge the surety. *Freeman's Bank v. Rollins*, 13 Maine, 202.

17. The alteration of a figure in the date of a note, proved only by inspection, is not of itself evidence that such alteration was made after the signature and delivery. *Gooch v. Bryant*, 13 Maine, 386.

18. A party to a negotiable note, who has indorsed it before it fell due, is not a competent witness to prove it originally void. *Lane v. Padelford*, 14 Maine, 94; *Buck v. Appleton*, 14 Maine, 284; *Clapp v. Hanson*, 15 Maine, 345.

19. The promisee of a negotiable note indorsed when overdue, is a competent witness to prove that, after it had been made for a different purpose, it was received and indorsed by him as collateral security for the payment of another note. *Lane v. Padelford*, 14 Maine, 94.

20. The rule of the S. C. and C. C. P. restraining the counsel for the defendant, in actions on promissory notes and bills of exchange, from denying the genuineness of his client's signature, unless specially instructed so to do, is within the power of the courts to make, and applies to those attested by a witness, as well as to others. *McDonald v. Bailey*, 14 Maine, 101.

21. The possession of a note, payable to a third person, and not indorsed, the declarations of the holder that it was his property, and the leaving it with an attorney for collection as such, in the absence of proof to the contrary, are evidence of an equitable assignment of it to him. *Harriman v. Hill*, 14 Maine, 127.

22. Where a guaranty is written over the name of the payee of a note indorsed in blank, without his knowledge or consent, such note cannot be given in evidence under the money counts. And while such guaranty remains written over the name of the payee, parol evidence is inadmissible to charge him as indorser. *Smith v. Frye*, 14 Maine, 457.

23. Where a prior indorser again gets possession of the bill, the presumption is, he is a *bonâ fide* holder, unless the contrary appear in evidence, though there may be upon it his own or a subsequent indorsement, for these he may strike out at pleasure. *Warren v. Gilman*, 15 Me. 70.

24. In an action against the indorser of a note, when the facts have been ascertained, whether legal notice has or has not been given, and whether due diligence has or has not been used, are questions of law to be decided by the court. *Thorn v. Rice*, 15 Maine, 263.

25. Where the evidence to prove notice to an indorser is too loose, deficient, and uncertain to authorize a jury to find in the affirmative, a judge of the C. C. P. may rightly decide that the action is not maintainable without submitting the case to the jury. *Ibid.*

26. Possession of a bill drawn, accepted, and indorsed is *primâ facie* evidence of ownership. *Lord v. Appleton*, 15 Maine, 270; *Scott v. Williamson*, 24 Maine, 343.

27. Where a negotiable note has been assigned, but not indorsed, proof that the note was fraudulently obtained by the payee, or that there was no consideration, is admissible. *Calder v. Billington*, 15 Me. 398.

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28. Where the maker of a witnessed promissory note, payable in 1811, to a corporation, added to the bottom of the note, in 1828, the words, "I hereby renew the above promise," and subscribed his name, and it was attested; in an action brought in 1836 in the name of the corporation, *held*, that proof of the new promise, by the subscribing witness thereto, was sufficient to authorize reading the note to the jury; that the action was not barred by the statute of limitations; that parol evidence was inadmissible to prove that the note was made to enable the corporation to make a false and colorable statement of the amount of funds, in order to obtain a grant from the State, under an agreement that it should be given up, after payment of interest for a few years; or to show that the new promise was made on a condition which had not been complied with. *Warren Academy v. Starrett*, 15 Maine, 443.

29. A guaranty of payment, upon a negotiable note, over the signature of the indorser, is *prima facie* evidence that it was written when the indorsement was made. *Gilman v. Lewis*, 15 Maine, 452.

30. If a note be made payable at a particular place, on presentment there, replies made that there were no funds there, are admissible in evidence. *Central Bank v. Allen*, 16 Maine, 41.

31. Inquiries made for the maker's place of residence, and the replies thereto, are admissible in evidence, to prove due diligence on the holder. *Ibid.*; *Barker v. Clark*, 20 Maine, 156.

32. The contents of a notice to the indorser, informing him of the demand and dishonor of the note, may be given in evidence, without notice to produce the original paper. *Central Bank v. Allen*, 16 Maine, 41.

33. Though the records of a deceased notary are admissible to prove demand and notice, yet they are not the only evidence in this State, but the facts may be proved by other testimony. *Homes v. Smith*, 16 Maine, 181.

34. A copy of the records of a deceased notary, duly attested by the clerk of the court in the county where such record is filed, is admissible in evidence to prove demand and notice, under the statute of 1821, c. 101. *Ibid.*

35. Copies furnished by the notary are required to be under his hand and seal, by the statute; but not that the record itself should be so, or that the clerk of the county should affix his seal to his copies thereof. *Ibid.*

36. In an action on a note, given as the consideration of an assignment of a bond of a third person for the conveyance of land on payment of a certain sum within a certain time, the defendant may give in evidence that the contract was fraudulent, without returning the bond, if the time had expired before he had knowledge of the fraud. *Winslow v. Bailey*, 16 Maine, 319.

37. The declarations of the payee of a negotiable note are admissible in evidence, if made while he retains possession, though he may previously have written his indorsement thereon to a third person, in whose name the action is brought. *Whittier v. Vose*, 16 Maine, 403.

38. Where a negotiable paper is shown to be fraudulent in its conception, or to have been fraudulently put in circulation, the burden of proof is thrown upon the holder to show that he came fairly by the note,



and without any knowledge of the fraud; and it is not enough that it was negotiated before its maturity, but it must appear to have been in due course of business, and not under circumstances tending to awaken suspicion. *Aldrich v. Warren*, 16 Maine, 465.

39. An indorser's written consent, pending a trial, that the suit may be prosecuted for the benefit of the indorsee, is a ratification of the previous proceedings. *Lewis v. Hodgdon*, 17 Maine, 267.

40. If an indorser "without recourse" gives a written guaranty to eventually pay the note, for a valuable consideration, paid by a third party, at the time of making the indorsement, and explains his intention to be that he holds himself bound to pay the execution which may be recovered thereon during its existence as a valid execution, he has an interest to lessen the damages recoverable in an action on such note, and cannot be admitted as a witness to prove a failure of consideration. *Paine v. Hussey*, 17 Maine, 274.

41. The transfer of a negotiable note by indorsement may be proved by evidence of the indorser's handwriting, without calling him. *Smith v. Prescott*, 17 Maine, 277.

42. The burden of proof in an action by the indorsee against the maker is on the latter, when payment is his defence, to show that the indorsement was subsequent to payment. Nor is the burden changed by the indorser's forbearance for three years to put the note in suit. *Ibid.*

43. If an indorsee promise to pay a note, knowing no demand has been made, the presumption is, he made such promise with a knowledge of his legal rights. *Davis v. Gowen*, 17 Maine, 387.

44. If a mortgage be assigned in writing by the indorser of a note, as collateral security for the payment thereof, parol evidence is inadmissible to show that the indorser was thereby discharged from his liability. *Maine Bank v. Smith*, 18 Maine, 99.

45. In an action by the indorsee against the administrator of the indorser, on a note, given as the consideration of a bond for the conveyance of land, upon payment of the note, where a partial payment had been made subsequent to the indorsement and the death of the indorser, held, that the payee was not a competent witness for the defendant. *Weston v. Hight*, 18 Maine, 281.

46. If a demand on a bank be proved to have been for *specie* for the bills presented, the jury are authorized to infer that the demand was intended and understood to have been for such coin as constituted a legal tender. *Bryant v. Damariscotta Bank*, 18 Maine, 240.

47. Two or more persons, who are not partners, may take a note payable to themselves by their surnames *only*, which will be good evidence of a debt on proof of identity. And, to establish such identity, it is not necessary to prove that they were partners at the date of the note. *Rogers v. Reed*, 18 Maine, 257.

48. A note given in payment for goods purchased may be introduced in evidence under the money counts. *Fairbanks v. Stanley*, 18 Me. 296.

49. The payee of a negotiable note, who has indorsed it "without recourse" is a competent witness for the indorsee, in an action against the maker, to prove a material alteration of the note was made by the prom-

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isor at the time it was signed, and before its delivery. *Abbott v. Mitchell*, 18 Maine, 354.

50. Where the presumption that a blank indorsement of a note was made on the day of its date has been rebutted by proof that it remained the payee's property till after it became payable, the acts and declarations of the payee are admissible in an action by the indorsee, until evidence of a transfer to or possession by him has been introduced by the plaintiff. *Hutchinson v. Moody*, 18 Maine, 393.

51. After a written agreement by the payee with the principal to delay the payment of the note has been shown by the sureties, a note of the same date, given by the principal to the payee, is admissible to show a consideration for such agreement. *Ibid.*

52. If two of three joint promisors of a note are sued, without assigning any cause for the omission of the third, the objection can be taken only in abatement. *Hughes v. Littlefield*, 18 Maine, 400.

53. If an alteration in a note be made by one of the promisors, he cannot allege that it was fraudulent. *Ibid.*

54. If the maker of a note, transferred when overdue, elects to call the indorser as a witness, he thereby waives his right to give in evidence his declarations made while he held the note. *Merrick v. Parkman*, 18 Maine, 407.

55. Proof that a note was indorsed to a cashier, and by him given to a notary to be protested, is sufficient to establish the fact that it was either negotiated to, or left in, a bank for collection, so as to entitle the maker to grace. *Burnham v. Webster*, 19 Maine, 232.

56. Where the person by whom notice of the non-payment of a draft was sent to the indorser was uncertain as to which of two places it was directed, but it appeared that, on the day the notice was sent, he was correctly informed as to the indorser's residence, and the indorser had said he knew, or had notice, that the draft had come back; *Held*, that the jury were justified in finding the notice had been properly directed. *March v. Garland*, 20 Maine, 24.

57. To charge an indorser, the day on which notice was placed in the post-office, addressed to him, should be made certain. *Ibid.*

58. The cashier of a bank, in which a note has been left for collection, is a competent witness to prove that due notice of its dishonor has been given to the several parties. *Huntress v. Patten*, 20 Maine, 28.

59. Parol evidence of statements made by an indorser, at the time of a blank indorsement, is not admissible to vary or contradict the legal contract implied by such indorsement. *Lane v. Steward*, 20 Maine, 98; *Crocker v. Getchell*, 23 Maine, 392; *Fuller v. McDonald*, 8 Greenleaf, 213; *Sanborn v. Southard*, 25 Maine, 409.

60. The declarations of the holder of a note to the indorser, that he called on the maker the day the note became due, and he refused to make payment, are not evidence for him of such facts, although not denied by the indorser. *Robinson v. Blen*, 20 Maine, 109.

61. If a party change his place of residence between the making of a note and its falling due, inquiries made by the holder at his former place of residence, and the answers to them, may be given in evidence

to prove to the jury due diligence on his part. *Barker v. Clark*, 20 Maine, 156.

62. The possession of a bill of exchange by one who negotiated it is presumptive evidence of ownership. *Lowney v. Perham*, 20 Maine, 235.

63. To maintain an action on an order payable "when you receive your payments from W. on his house," and accepted in a partnership name, the plaintiff must prove that one, at least, of the defendants accepted the order in the partnership name; that they were partners in the business to which it related; and that they had received their payments from W. on his house. *Head v. Sleeper*, 20 Maine, 314.

64. Where the subscribing witness to a note testifies to his own signature, but can recollect no more, and fails to prove its execution by the maker, other evidence of the genuineness of the signature is admissible. *Crabtree v. Clark*, 20 Maine, 337.

65. If a note be written partly by one hand and partly by another, this is not *prima facie* evidence that it has been fraudulently altered. *Id.*

66. The presumption that the holder suing as indorsee became holder of the note before it became due, may be so rebutted by proof of the indorser's being in possession of it till after it fell due and was protested, claiming it as owner, that his admissions will be competent evidence. *Norton v. Heywood*, 20 Maine, 359.

67. Where the cashier of a bank had made an entry on the bank books, that a certain note had been discounted at a certain time, it is competent for him to testify that the entry was in fact but conditional, and made without authority, and that the note was not then discounted. *Ticonic Bank v. Johnson*, 21 Maine, 426.

68. In an action by the payee of a draft against the drawer, where it appeared the plaintiff was one of two assignees of the acceptor's effects, held, that the burden of proof was on the defendant to show that the plaintiff as assignee had funds in his hands to go either wholly or partially towards payment of the draft. *Fiske v. Stevens*, 21 Maine, 457.

69. In an action against the indorser of a note, the maker, for whose accommodation it had been indorsed, is an incompetent witness for the defendant, without a release. *Southard v. Wilson*, 21 Maine, 494.

70. In an action on a promissory note, an office copy of a deed made by the plaintiff to the witness, produced by the plaintiff to establish more certainly when the note in question was indorsed to the plaintiff than the witness could do it, is inadmissible. *Rollins v. Bartlett*, 21 Maine, 565.

71. If the plaintiff brings his action as indorsee of a bill of exchange against the acceptor, and sets forth in his declaration an indorsement to certain copartners by the name of their firm, and indorsement also by them in their copartnership name to himself; and on the trial he produces the bill and proves this indorsement to have been made by one of the partners in the name of the firm; this is *prima facie* evidence of a partnership indorsement, and of the plaintiff's title through the parties. *Davenport v. Davis*, 22 Maine, 24.

72. In an action by the indorsee against the indorser of a note, indorsed for the accommodation of the maker, the latter, being released from all claim to costs by the defendant, is a competent witness for him. *Darling v. March*, 22 Maine, 184.

73. The rule that the maker of a negotiable note shall not be permitted to show illegality in its consideration by his testimony, does not apply to a case where the note first became a valid contract in the hands of the plaintiff, an indorsee, with whom the illegal and usurious contract was made. *Ibid.*

74. In an action by an indorsee against the maker, the payee's written admission, that one acting as his agent in indorsing it had authority so to do, is not competent evidence to prove the agency. *Clark v. Peabody*, 22 Maine, 500.

75. Where a negotiable security is taken for a simple contract debt, parol evidence is admissible to show it was taken simply as collateral security. *Comstock v. Smith*, 23 Maine, 202.

76. Where the plaintiff, by his agreement in writing, promised to indemnify the defendant against a certain claim, and procure him a discharge therefrom, when the defendant should pay two fifty dollar notes, payable to the plaintiff in six months and one year, and acknowledged by the same writing that he had received "\$40 and \$12, in part pay for the two fifty-dollar notes above named," and, on the trial of an action upon the last fifty-dollar note, the defendant produced the first fifty-dollar note, cancelled; *Held*, that these facts did not furnish presumptive evidence that the defendant paid the first note with money other than the sums mentioned in the agreement, especially as there was evidence tending to show the defendant had promised to pay the note in suit. *Neal v. Brainerd*, 24 Maine, 115.

77. A note was made payable "from the avails of logs bought of M. M. when there was a sale made"; *Held*, that parol evidence was inadmissible to show the intent of the parties, when the note was made, that, if there was a total loss to the owner on manufacturing the logs, the note was not to be paid. *Sears v. Wright*, 24 Maine, 278.

78. Parol evidence is admissible to show that the nominal holder of a note held it in trust to be accounted for in a particular manner. *Scott v. Williamson*, 24 Maine, 343.

79. If a note, payable to a third person or bearer, has been transferred to the defendant, and he has transferred it to the plaintiff, without indorsing it himself, and the plaintiff afterwards procures the indorsement of defendant by stating to him, "that it was a mere matter of form, and that by putting his name on it he would not render himself liable," testimony of these facts is admissible to show such indorsement was without consideration. *Larrabee v. Fairbanks*, 24 Maine, 363.

80. And if the defendant's indorsement was obtained by false pretences on the plaintiff's part, parol proof of the fraud is admissible. *Ibid.*

81. Evidence of the declarations of the indorser as to the contract upon which he received the note, tending to show the terms of it, and especially when connected with subsequent conduct and declarations having the same tendency, is admissible. *Fullerton v. Rundlet*, 27 Me. 31.

82. If, in an action on a note, payable at a particular time and place, the maker pleads that he was ready at such time and place, but the holder was not there to receive payment, such plea must likewise state that he has ever since been ready, and that he brings the money into

court for the plaintiff, and the facts must be proved. *Lyon v. William-son*, 27 Maine, 149.

83. An indorser, being compelled to make payment, made it in property, which was received as payment; *Held*, that evidence that the property so received as payment was in fact of less value than the amount for which it was received, was admissible, in an action to recover such amount, brought by the indorser against the maker. *Garnsey v. Allen*, 27 Maine, 366.

84. Parol evidence is not admissible to vary the meaning of a promissory note. If the promise is joint and several, it cannot be shown to be otherwise. But if the creditor make an agreement with one of several signers, extending the time of payment of the debt, it is competent for the others to show, by parol evidence, that they are sureties merely, and that the arrangement is injurious to them. *Mariner's Bank v. Abbott*, 28 Maine, 280.

85. In an action against the indorser, evidence is not admissible to show an agreement by the maker to pay at a different place from that indicated on the face of the bill. *Pierce v. Whitney*, 29 Maine, 188.

86. In an action against an indorser, evidence that the maker of a note addressed a letter to the holder, informing him that he should not be able to pay at maturity, and requesting an extension, is not admissible to excuse a presentment at the maker's residence or place of business, at its maturity. *Ibid*.

87. The condition of a mortgage deed was, that, if the mortgagor or his assigns should pay \$500 at a *future specified time*, then the deed, as also a note bearing the same date with it, given by the mortgagor to pay said sum at the time, should be void, in a bill to redeem by the mortgagor's assignee; *Held*, that parol evidence was admissible to show that a note of \$500, payable on demand with interest, was the one secured by said mortgage. *Bourne v. Littlefield*, 29 Maine, 302.

88. In an action by the purchaser against the seller of a note by *delivery*, on which indorsers' names have been forged, but which has been sold as *property*, and not in payment of a debt, the broker through whom the sale was negotiated is a competent witness for the plaintiff, if he was ignorant of the forgery, and if he did not make himself liable by any promise or representation concerning the note. *Baxter v. Duren*, 29 Maine, 434.

89. When a creditor has a note against two joint promisors, secured by a mortgage on real estate, and he acknowledges payment upon the margin of the record and discharges the mortgage, the acts and declarations of one of the promisors may control that evidence of payment, and an action be maintained on the note against the other promisor. *Patch v. King*, 29 Maine, 448.

90. Partial payments made by one joint promisor upon a note, made before the Revised Statutes went into operation, may prevent the statute of limitations from attaching as to the other. *Ibid*.

91. The plaintiff, who is indorsee of a note declared on, cannot be called by the defendant to testify, though he was the subscribing witness. *Cushman v. Downing*, 29 Maine, 459.

92. If the owner of bills would hold a bank to the payment of the penal damages given by statute, on neglect to make payment in gold or silver on demand, or within the time limited, he must distinctly claim such damages in his declaration, or he will be restricted to the measure of damages which the law accords to other creditors. *Palmer v. York Bank*, 18 Maine, 166.

See *Acceptance*, 3 ; *Presentment, Demand, &c., Waiver of*, 6, 12, 14 ; *Protest ; Actions, When and by whom maintainable*, 20.

### 15. Damages.

1. The damages on a protested bill of exchange are not given as a liquidated arbitrary mulct, but as a compensation to the holder for the expenses of remitting the money to the place where the bill ought to have been paid. Therefore, if the holder receive part of the money from the acceptor, this diminishes the damages *pro rata*. *Bangor Bank v. Hook*, 5 Maine, 174.

2. Where the master of a vessel in a foreign port, having authority to borrow money to purchase a return cargo, drew a bill of exchange, in his name, for that purpose on his owners, directing on the face of the bill that the amount thereof should be charged to the cargo of the vessel, which order was accepted, but protested for non-payment, the drawer was held liable for the full amount of the bill, with interest, and ten per cent. as damages. *Snow v. Goodrich*, 14 Maine, 235.

3. The sum which the indorsee is entitled to recover from the *indorser* is the amount of the money paid for the note, with interest. *French v. Grindle*, 15 Maine, 163.

4. If a negotiable note has been indorsed and transferred, *bonâ fide*, before its maturity, as collateral security for a sum less than its nominal value, payment afterwards by the maker to the payee cannot be given in evidence to reduce the amount to be recovered in an action by the indorsee against the maker. *Gower v. Wentworth*, 17 Maine, 66.

5. By the statute of 1831, c. 119, § 11, if the officers of a bank refuse or delay payment in gold or silver of any bill presented for payment at the bank in the usual banking hours, the corporation is made liable, fifteen days from such demand, to pay the additional damages of twenty-four per cent. per annum. *Bryant v. Damariscotta Bank*, 18 Maine, 240.

6. In an action on a note for specific articles, the amount of damages is the value of the articles at the time and place they should have been delivered, with interest thereafter. *Smith v. Berry*, 18 Maine, 122.

7. Damages on a protested draft cannot be recovered against the drawer or indorser, when the principal has been paid by a levy of execution, recovered in a suit in favor of the holder against the acceptor. *Warren v. Coombs*, 20 Maine, 139.

8. A transmitted a draft to B for collection, the proceeds to be passed to A's credit. B indorsed and sold the draft ; it was afterwards protested for non-payment, and he took it up, as indorser, paying costs of

protest and damages. *Held*, that B was entitled to recover the whole amount from A. *Goodnow v. Howe*, 20 Maine, 164.

9. If one, in consideration of fifteen dollars, guaranties the payment of the note of a third person for three hundred dollars, and the contract of guaranty is broken, the note remaining unpaid, the damages to be recovered are not the consideration, but the amount due on the note guarantied. *Cooper v. Page*, 24 Maine, 73.

### III. — INTEREST.

1. Where, in a real action, judgment is to be entered in favor of the demandant for the value of the land "at the price estimated by the jury" under the statute of 1821, c. 47, § 1, if the entry of judgment on the verdict has been delayed at the request of the tenant, interest will be added to the price so estimated by the jury from the time of finding the verdict, and judgment be rendered for the amount so ascertained. *Winthrop v. Curtis*, 4 Greenl. 297.

2. When the interest on a note is payable annually, so much as has accrued more than six years before the commencement of an action thereon will be barred by the statute of limitations, if the note be not witnessed, though the note, being payable on time, be recovered, with the interest that has become due within six years. *Dearborn v. Parks*, 5 Greenl. 81.

3. The law does not allow interest upon interest, even when a promissory note is made payable with interest annually. *Doe v. Warren*, 7 Greenl. 48.

4. Taking compound interest is not usury. *Otis v. Lindsay*, 1 Fairf. 315.

5. If the note be paid before the time has expired for which interest has been paid in advance, the remaining balance of interest is to be applied to payment of the principal. *Freeman's Bank v. Rollins*, 13 Maine, 202.

6. Although a debt by which a trustee is charged is one bearing interest, he will not be held accountable for interest, after he was summoned as trustee, when there is nothing to rebut the legal presumption that he was ready to pay, and was holding the money unemployed to await the decision; but where the facts rebut such presumption, he is chargeable with interest. *Norris v. Hall*, 18 Maine, 332.

7. Where a note is made payable at a future period, with interest annually till its maturity, and no demand is made for the annual interest as it becomes due, or, if made, no notice thereof is given to the indorser; if duly notified of demand and non-payment when the note falls due, he is liable for the whole amount due, principal and interest. *How v. Bradley*, 19 Maine, 31.

8. Interest is to be regarded as incidental to the debt, and not a part of it, and annual interest cannot be recovered by a separate action for it after the principal becomes due. *Ibid*.

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9. Where exceptions have been filed to the acceptance of an award of referees, and the report has, after a continuance of the cause, been accepted by the court, interest will not be allowed on the sum awarded in making up a judgment. *Southard v. Smyth*, 19 Maine, 458.

10. The creditor is not entitled to recover interest on the amount of articles charged on account, after the expiration of six months from the time of their delivery, by proof that the usual term of credit on the purchase of such articles at the place of sale was "six months and interest after." The plaintiff would be entitled to such interest only by proof of an agreement to pay it, or by proof of a demand of payment anterior to the date of the writ. *Amee v. Wilson*, 22 Maine, 116.

11. Where the defendant received a sum of money of the plaintiff, and promised in writing to repay the same sum, if he should not be entitled to hold it on the settlement of a certain concern, and, when the settlement did take place, repaid the amount received, nothing being said respecting interest, the plaintiff cannot maintain an action to recover interest on the money while the defendant held it. *Milliken v. Southgate*, 26 Maine, 424.

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#### IV. — USURY.

1. In General.
2. Evidence of.
3. Remedy.

##### 1. In General.

1. If money be loaned on a usurious contract, and on maturity of the note it be partially paid, and a new note, similar to the former, be given for the balance, such new note is void for the usury. *Warren v. Crabtree*, 1 Greenl. 167.

2. If the borrower be not a party to the usurious note, but the security is such, both as to parties and time of payment, as has been previously agreed upon between the borrower, lender, and indorser, the note is still usurious. *Ibid.*

3. The consideration of a recognizance or statute acknowledgment of debt, *it seems*, may be impeached for usury, even in an action brought by the creditors against the debtor, for possession of the land taken by extent in satisfaction of the debt. *Chandler v. Morton*, 5 Greenl. 374.

4. Where the title to real estate is absolutely vested by deed of bargain and sale, it shall not be disturbed by proof that all or part of the consideration was a usurious debt. *Hale v. Jewell*, 7 Greenl. 435.

5. Before the statute of 1834, c. 122, all securities for the payment of money loaned on any usurious contract, wherein usurious interest was reserved and secured, were merely void, although no money was actually paid. *Lowell v. Johnson*, 14 Maine, 240.

6. And where money is loaned on such usurious contract, and the security in which it is reserved is avoided for that cause, the money actually loaned cannot be recovered on the money counts. *Lowell v. Johnson*, 14 Maine, 240.



7. The statute of 1834, c. 122, applies only to usurious contracts made after the act took effect. *Ibid.*

8. When the original contract is usurious, any subsequent one, made to carry it into effect, is also usurious and void. *Ibid.*

9. The sale of a negotiable note, free from usury when made, and available as a good note before the sale, at a greater discount than legal interest, is not usurious, although indorsed by the party making the sale; and on non-payment by the maker, the indorsee may maintain an action against the indorser. *French et al. v. Grindle*, 15 Maine, 163; *Farmer v. Sewall*, 16 Maine, 456; *Lane v. Steward*, 20 Maine, 98.

10. A suit brought on two acceptances, in one of which more than legal interest is reserved, is within the provision of the statute against usury, and the defendant is entitled to costs. *Warren v. Coombs*, 20 Maine, 144.

11. Where a note is discounted at a bank for the benefit of the first indorser, and passed to his credit as a deposit, and he agrees that avails shall remain on deposit for a certain time, this is not a usurious transaction. *Ticonic Bank v. Johnson*, 21 Maine, 426.

12. The sixth section of Rev. Stat., c. 69, has no reference to the second section of the same statute. *Wing v. Dunn*, 24 Maine, 128.

13. Where interest was cast upon a note at the rate of seven and a half per cent., and added to the principal, and the amount thus ascertained was settled by the indorsement to the creditor by the debtor, at the same time, of a note of a third person for a part, and by his own three notes, payable at different times, for the balance; *Held*, that the amount paid by the transfer of the notes of the third person included such proportion of the usurious interest as the amount thus paid bore to the whole sum. *Pierce v. Conant*, 25 Maine, 33.

## 2. Evidence of Usury.

1. The rule, that a party to a negotiable note shall not be admitted as a witness to prove it usurious, extends to the maker of an accommodation note; and is applied even where it had been delivered up to the real debtor on his giving a recognizance to the creditor for the amount. And its application is not restricted to the case of an innocent indorsee; but is admitted where the usurer himself is a party. *Chandler v. Morton*, 5 Greenl. 374.

2. Where one purchases a right in an equity of redemption, and afterwards takes an assignment of the mortgage, and immediately mortgages the same land to the original mortgagee; in a writ of entry brought by the assignee against the original mortgager, the declarations of the original mortgagee cannot be given in evidence to prove usury in the first mortgage. *Richardson v. Field*, 6 Greenl. 303.

3. The surety on a promissory note tainted with usury, which has been paid, is admissible as a witness in a suit between the original parties, to show the usury. *Webb v. Wilshire*, 19 Maine, 406.

4. In an action on two drafts, where the defence of usury was relied upon, the verdict being for a less sum than the amount due, *held*, that such verdict established the fact of usury. *Warren v. Coombs*, 20 Maine, 144.

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5. It is not competent for the defendant, under Rev. Stat., c. 69, § 3, to testify to any facts but such as go to establish the defence of usury. *Goodwin v. Appleton*, 22 Maine, 453.

6. The defendant, being the maker of a negotiable note, will not be permitted to prove usury by his own oath in defence, where the suit is brought by an indorsee under the statute of 1834, c. 122, § 3, and Rev. Stat., c. 69, § 3. *Myrick v. Hasey*, 27 Maine, 9.

### 3. Remedy of.

1. The party giving a usurious security is, in all cases, entitled at some time to avoid it by showing the usury, unless he has waived the right by his own act, or forfeited it by his own neglect. *Richardson v. Field*, 6 Greenl. 35.

2. Where a right in an equity of redemption has been sold at a sheriff's sale, and become absolute in the purchaser by the expiration of a year, the purchaser took an assignment of the mortgage, thus uniting the whole title in himself, and then brought a writ of entry against the mortgagor, who had always remained in possession; *Held*, that the latter might set up the defence of usury in the notes. *Ibid*.

3. It is not competent for the maker of a negotiable note to set up in defence, usury in the transfer from the payee to the indorsee. *Clapp v. Hanson*, 15 Maine, 345.

4. Under the statute of 1834, c. 122, § 4, Rev. Stat., c. 68, § 5, an action for money had and received may be maintained to recover back the usurious interest paid. *Webb v. Wilshire*, 19 Maine, 406.

5. This suit may be maintained against the lender, when the note, tainted with usury, has been negotiated, and the money paid by the maker to the holder. *Ibid*.

6. The guarantor of a contract tainted with usury is so far a party to the same, that he may set up usury in defence, in a suit upon his guaranty. *Huntress v. Patten*, 20 Maine, 28.

7. In a suit against the indorser on a bill of exchange on which usurious interest has been reserved, but which has been paid by a levy on the real estate of the acceptor, the defendant is not entitled to costs. *Warren v. Coombs*, 20 Maine, 139.

8. If a purchaser, *bonâ fide*, of the grantee of the bank, without the knowledge of usury, brings his writ of entry, demanding the land, against one who was not a party, nor the legal representative of a party to the usury, the latter cannot set up as a defence, that there was usury in the transactions between the person requesting the conveyance and the grantee of the bank. *Thomaston Bank v. Stimpson*, 21 Maine, 195.

9. Only an abatement of the excess over lawful interest reserved or taken could be claimed, together with costs for the defendant upon a usurious contract under the statute. Per Whitman, C. J. *Ticonic Bank v. Johnson*, 21 Maine, 429.

10. Where a note for three thousand dollars, which included usury, was paid by the note in suit of two thousand dollars, and by one of a thousand, paid before the commencement of the action; where it did not appear on the trial that the illegal interest was separated from the

principal, and wholly included in either of the two last mentioned notes ; and where twelve per cent. interest had been paid on the two-thousand-dollar note ; *Held*, that, under the statute of this State, the illegal interest reserved in, and taken upon, the note in suit, should be deducted from the amount of it, and that the plaintiff should recover the balance without costs, and should pay costs to the defendant. *Darling v. March*, 22 Maine, 184.

11. Where a note is purchased after the day of payment has elapsed, the maker is entitled to the defence of usury, in a suit by an indorsee, as fully as if the note had remained in the hands of the payee. *Wing v. Dunn*, 24 Maine, 128.

12. The Revised Statutes of 1841, ch. 69, § 5, having given a party who has paid usury a right, "in an action at law," to recover back the excess of interest he may have paid above six per cent., and being merely remedial, not penal, such party may have his remedy by an action for money had and received. *Pierce v. Conant*, 25 Maine, 33.

13. Where a note, including usurious interest, is discharged, by payments made at different times, each payment will be considered as embracing its proportional part of the usurious interest ; and in a suit to recover back the usurious interest so paid, under the statute of limitations, applicable to such suits, only so much will be recovered as is included in the payments made within one year before the commencement of the suit. *Pierce v. Conant*, 25 Maine, 33 ; *Darling v. March*, 22 Maine, 184.

14. Debt is a proper form of actions to recover back money paid as usurious interest. *Houghton v. Stowell*, 28 Maine, 215.

15. Under the Revised Statutes, ch. 69, § 7, where the damages in an action on a note, alleged to be usurious, are not reduced by the oath of the defendant, but by the voluntary act of the plaintiff, in indorsing the amount received as usurious interest on his note, after the commencement of the suit, the defendant is not entitled to costs. *Cummings v. Blake et al.*, 29 Maine, 105.

16. To a promissory note the defence of usury, by the oath of the defendant, can only be made in a suit brought in the name of the payee. *Cushman v. Downing et al.*, 29 Maine, 459.

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**MASSACHUSETTS CURRENCY IN 1712.**— In order to arrest the downward progress of the credit, sustained by paper currency, there is a repeated enactment that it shall be, at all events, specialties of contract excepted, a legal tender. This measure failed of its purpose. Under its long continuance, many debtors delayed their payments so as to meet them with bills, purchased at an increasingly reduced rate. Such management was the spring of numerous litigations. Then they who were no more closely clad with the garb of honesty, than to put it off as expediency might dictate, exhibited their propensity. Then such acquired temporary gain, if that may be called so, which destroys principle, peace, and reputation, while those of sterner integrity lost in their worldly possessions, though increasing in a thousand fold more in habits of moral excellence and in conscious rectitude. Indeed it is a wise and merciful provision of our Maker, that mind, in its talents, attainments, and especially in its virtuous traits, should be an "immutable measure of the man."—*Felt's Historical Account of Massachusetts Currency*.

## NOTES ON COINS.

**FRENCH MONEY.** — From about the year 800, in the reign of Charlemagne, to the year 1103, in that of Philip I., the French *livre*, or money unit, contained exactly a pound-weight of twelve ounces (*poids de marc*) of pure silver. It was divided into twenty sols, each of which, of course, weighed  $\frac{1}{20}$ th part of a pound. This ancient standard was first violated by Philip I., who diminished considerably the quantity of pure silver contained in the sols. The example, once set, was so well followed up, that in 1180 the livre was reduced to less than a *fourth* part of its original weight of pure silver. In almost every succeeding reign there was a fresh diminution. "La Monnoye," says Le Blanc, "qui est la plus précieuse et la plus importante des mesures, a changé en France presque aussi souvent que nos habits ont changé de mode." And to such an extent had the process of degradation been carried, that, at the epoch of the Revolution, the livre did not contain a *seventy-eighth* part of the silver contained in the livre of Charlemagne. It would then have required 7,885 livres really to extinguish a debt of 100 livres contracted in the ninth or tenth century; and an individual who, in that remote period, had an annual income of 1,000 livres, was as rich, in respect to money, as those who at the Revolution enjoyed a revenue of 78,850 livres. (Paucton, *Traité des Mesures, Poids, &c.*, p. 693.)

It was not to be expected, that degradations originating in the necessities, the ignorance, and the rapacity of a long series of arbitrary princes, should be made according to any fixed principle. They were sometimes the result of an increase in the denomination of the coins, but more frequently of a diminution of the purity of the metal of which they were struck. A degradation of this kind was not so easily detected; and, in order to render its discovery still more difficult, Philip of Valois, John, and some other kings, obliged the officers of the mint to swear to conceal the fraud, and to endeavor to make the merchants believe that the coins were of full value. (Le Blanc, p. 212.) Sometimes one species of money was reduced, without any alteration being made in the others. No sooner, however, had the people in their dealings manifested a preference, as they uniformly did, for the money which had not been reduced, than its circulation was forbidden, or its value brought down to the same level with the rest.

**SEQUIN.** — A gold coin struck at Venice, and in several parts of the Grand Seignior's dominions. In Turkey it is called *dahob*, or piece of gold, and, according to M'Culloch, is worth 7*s.* 6*d.* to 7*s.* 7*d.* sterling.

**LOUIS D'OR.** — A French coin, first struck in the year 1640, under the reign of Louis XIII. By the French mint regulations it was at length made equal to twenty-four livres, or £1 sterling. This, however, was underrating it as compared with silver; and hence, as every one preferred paying his debts in the overvalued coin, silver became the principal currency of France, the gold coins being either sent to the melting-pot, or exported. In Great Britain the process was reversed, gold having, for a long period, been overvalued by their mint.

**SHILLING.** An English silver coin, equal to twelpence, or the twentieth part of a pound.

Freherus derives the Saxon *scilling*, whence our shilling, from a corruption of *siliqua*; proving the derivation by several texts of law, and, among others, by the twenty-sixth law, *De annuis legatis*. Skinner deduces it from the Saxon *scild*, "shield," by reason of the escutcheon of arms which it has upon it.

Bishop Hooper derives it from the Arabic *scheele*, signifying a weight; but others, with greater probability, deduce it from the Latin *sicilicus*, which signified in that language a quarter of an ounce, or the forty-eighth part of a Roman pound. In confirmation of this etymology, it is alleged that the shilling kept its original signification, and bore the same proportion to the Saxon pound as *sicilicus* did to the Roman and the Greek, being exactly the forty-eighth part of the Saxon pound.

However, the Saxon law reckons the pound in the round number at fifty shillings, but they really coined out of it only forty-eight. The value of the shilling was fivepence, but it was reduced to fourpence above a century before the Conquest; for several of the Saxon laws, made in Athelstan's reign, oblige us to take this estimate. Thus it continued to the Norman times, as one of the Conqueror's laws sufficiently ascertains; and it seems to have been the common coin by which the English payments were adjusted. After the Conquest, the French *solidus* of twelpence, which was in use among the Normans, was called by the English name of shilling; and the Saxon shilling of fourpence took a Norman name, and was called the *groat*, or great coin, because it was the largest English coin then known in England.

It was the opinion of Bishops Fleetwood and Gibson, and of the antiquaries in general, that, though the method of reckoning by pounds, marks, and shillings, as well as by pence and farthings, had been in constant use even from the Saxon times, long before the Norman Conquest, there was never such a coin in England as either a pound or a mark, nor any shilling, till the year 1504 or 1505, when a few silver shillings or twelpences were coined, which have long since been solely confined to the cabinets of collectors.

Mr. Clarke combats this opinion, alleging that some coins mentioned by Mr. Folkes, under Edward the First, were probably Saxon shillings new minted, and that Archbishop Ælfric expressly says that the Saxons had three names for their money, — mancuses, shillings, and pennies. He also urges the different value of the Saxon shilling at different times, and its uniform proportion to the pound, as an argument that their shilling was a coin; and the testimony of the Saxon Gospels, in which the word we have translated *pieces of silver* is rendered *shillings*, which, he says, they would hardly have done if there had been no such coin as a shilling then in use. Accordingly the Saxons expressed their shilling in Latin by *siclus* and *argenteus*. He further adds, that the Saxon shilling was never expressed by *solidus* till after the Norman settlements in England; and howsoever it altered during the long period that elapsed from the Conquest to the time of Henry the Seventh, it was the most constant denomination of money in all payments, though it was then

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only a species of account, or the twentieth part of the pound sterling ; and when it was again revived as a coin, it lessened gradually as the pound sterling lessened. from the 28th of Edward the Third to the 43d of Elizabeth.

In the year 1560 there was a peculiar sort of shilling struck in Ireland, of the value of ninepence English, which passed in Ireland for twelvepence. The motto on the reverse was, *Posui Deum adiutorem meum*. Eighty-two of these shillings, according to Malynes, went to the pound. They weighed therefore twenty grains one fourth each, which is somewhat heavier in proportion than the English shilling of that time, sixty-two of which went to the pound, each weighing ninety-two grains seven eighths ; and the Irish shilling being valued at the Tower at ninepence English, that is, one fourth part less than the English shilling, it should therefore proportionally weigh one fourth part less, and its full weight be somewhat more than sixty-two grains. But some of them found at this time, though much worn, weighed sixty-nine grains. In 1598, five different pieces of money of this kind were struck in England for the service of the kingdom of Ireland. These were shillings to be current in Ireland at twelvepence each, half-shillings to be current at sixpence, and quarter-shillings at threepence. Pennies and half-pennies were also struck of the same kind, and sent over for the payment of the army in Ireland. The money thus coined was of a very base mixture of copper and silver ; and two years after there were more pieces of the same kinds struck for the same service, which were still worse ; the former being three ounces of silver to nine ounces of copper, and the latter only two ounces eighteen pennyweights to nine ounces two pennyweights of the alloy.

The Dutch, Flemish, and Germans have likewise their shilling, called *schelin*, *schilling*, and *scalin* ; but these, not being of the same weight or fineness with the English shilling, are not current at the same value. The English shilling is worth about twenty-three French sols ; those of Holland and Germany about eleven sols and a half ; those of Flanders about nine. The Dutch shillings are also called *sols de gros*, because equal to twelve gros. The Danes have copper shillings worth about one fourth of a farthing sterling. — *Encyclopædia Britannica*.

**ALBERTUS.** A gold coin, worth about fourteen French livres. It was coined during the administration of Albertus, Archduke of Austria.

**AUREUS.** A Roman gold coin equal in value to twenty-five denarii. According to Ainsworth, the aureus of the higher empire weighed near five pennyweights ; and in the lower empire little more than half that weight. We learn from Suetonius that it was customary to give aurei to the victors in the chariot races.

**ABRA.** A silver coin struck in Poland, and worth about one shilling sterling. It is current in several parts of Germany, at Constantinople, Astracan, Smyrna, and Grand Cairo.

**AGNEL.** An ancient French coin, first struck under the reign of St. Louis, worth about twelve sols six deniers. The agnel is sometimes called *mouton d'or* and *agnel d'or*. The denomination is supposed to have arisen from the figure of a lamb (*agnus*) or sheep struck on one side.

## BANK CAPITAL OF TOWNS AND CITIES.

COMPILED FROM THE LATEST RETURNS.

DECEMBER, 1851.

MAINE.			NEW HAMPSHIRE.		
	No. of Banks.	Capital.		No. of Banks.	Capital.
Augusta, . . . . .	3	\$ 213,000	Charlestown, . . . . .	1	90,000
Bangor, . . . . .	7	1,000,000	Claremont, . . . . .	1	100,000
Bath, . . . . .	3	375,000	Concord, . . . . .	2	180,000
Belfast, . . . . .	1	50,000	Dover, . . . . .	2	225,000
Biddeford, . . . . .	1	150,000	East Jeffrey, . . . . .	1	50,000
Brunswick, . . . . .	2	110,000	Exeter, . . . . .	1	100,000
Calais, . . . . .	1	50,000	Keene, . . . . .	2	200,000
Eastport, . . . . .	1	75,000	Lancaster, . . . . .	1	50,000
Gardiner, . . . . .	1	100,000	Lebanon, . . . . .	1	100,000
Hallowell, . . . . .	1	75,000	Manchester, . . . . .	2	260,000
Portland, . . . . .	6	1,125,000	Meredith, . . . . .	1	65,000
Saco, . . . . .	2	175,000	Nashua, . . . . .	1	125,000
Skowhegan, . . . . .	1	75,000	New Ipswich, . . . . .	1	100,000
South Berwick, . . . . .	1	100,000	Pittsfield, . . . . .	1	50,000
Rockland, . . . . .	1	100,000	Portsmouth, . . . . .	3	491,000
Thomaston, . . . . .	1	50,000	Rochester, . . . . .	1	125,000
Topsham, . . . . .	1	50,000	Somersworth, . . . . .	1	125,000
Waldoboro, . . . . .	1	50,000	Warner, . . . . .	1	50,000
Waterville, . . . . .	2	125,000	Winchester, . . . . .	1	100,000
Wiscasset, . . . . .	1	50,000			
Total, . . . . .	38	\$ 4,098,000	Total, . . . . .	25	\$ 2,566,000
CONNECTICUT.			VERMONT.		
Bethel, . . . . .	1	100,000	Bellows Falls, . . . . .	1	\$ 100,000
Birmingham, . . . . .	1	101,490	Bennington, . . . . .	1	100,000
Bridgeport, . . . . .	4	846,800	Bethel, . . . . .	1	75,000
Brooklyn, . . . . .	1	64,400	Brandon, . . . . .	1	50,000
Danbury, . . . . .	1	98,500	Brattleboro, . . . . .	1	150,000
Deep River, . . . . .	1	75,000	Burlington, . . . . .	4	600,000
East Haddam, . . . . .	1	71,320	Chelsea, . . . . .	1	50,000
Falls Village, . . . . .	1	106,000	Danville, . . . . .	1	75,000
Hartford, . . . . .	7	4,697,700	Danby, . . . . .	1	50,000
Jewett City, . . . . .	1	44,000	Derby Line, . . . . .	1	50,000
Meriden, . . . . .	1	234,750	Irassburg, . . . . .	1	50,000
Middletown, . . . . .	3	845,900	Manchester, . . . . .	1	50,000
Mystic, . . . . .	1	52,800	Middlebury, . . . . .	1	75,000
New Haven, . . . . .	4	1,987,825	Montpelier, . . . . .	2	200,000
New London, . . . . .	3	414,625	Orwell, . . . . .	1	100,000
Norwalk, . . . . .	1	175,330	Poultney, . . . . .	1	50,000
Norwich, . . . . .	4	1,987,825	Proctorsville, . . . . .	1	50,000
Pawcatuck, . . . . .	1	75,000	Rutland, . . . . .	1	150,000
Saybrook, . . . . .	1	76,010	St. Albans, . . . . .	1	50,000
Southport, . . . . .	1	100,000	St. Albans Bay, . . . . .	1	100,000
Stamford, . . . . .	1	60,000	St. Johnsbury, . . . . .	1	100,000
Stonington, . . . . .	2	160,000	Sheldon, . . . . .	1	50,000
Thompson, . . . . .	1	60,000	Swanton Falls, . . . . .	1	75,000
Tolland, . . . . .	1	80,800	Vergennes, . . . . .	1	100,000
Waterbury, . . . . .	1	500,000	Wells River, . . . . .	1	75,000
Windham, . . . . .	1	60,000	Windsor, . . . . .	1	50,000
Winstead, . . . . .	1	100,000	Woodstock, . . . . .	1	60,000
Total, . . . . .	47	\$ 13,175,675	Total, . . . . .	31	\$ 2,685,000

# Banking Capital of the United States.

567

## MASSACHUSETTS.

	No. of Banks.	Capital.
Boston, . . . . .	32	\$ 24,560,000
Abington, . . . . .	1	100,000
Andover, . . . . .	1	250,000
Attleborough, . . . . .	1	100,000
Beverly, . . . . .	1	125,000
Blackstone, . . . . .	1	100,000
Brighton, . . . . .	1	250,000
Cambridge, . . . . .	3	300,000
Canton, . . . . .	1	100,000
Charlestown, . . . . .	1	200,000
Chelsea, . . . . .	1	150,000
Chicopee, . . . . .	1	150,000
Concord, . . . . .	1	100,000
Danvers, . . . . .	3	450,000
Dedham, . . . . .	1	200,000
Dorchester, . . . . .	2	200,000
Fairhaven, . . . . .	1	200,000
Fall River, . . . . .	2	450,000
Fitchburg, . . . . .	2	400,000
Frammingham, . . . . .	1	200,000
Falmouth, . . . . .	1	100,000
Georgetown, . . . . .	1	100,000
Gloucester, . . . . .	1	200,000
Greenfield, . . . . .	2	350,000
Great Barrington, . . . . .	1	100,000
Haverhill, . . . . .	4	530,000
Hingham, . . . . .	1	105,000
Holyoke, . . . . .	1	100,000
Lawrence, . . . . .	1	500,000
Lancaster, . . . . .	1	150,000
Leicester, . . . . .	1	100,000
Lee, . . . . .	1	150,000
Lowell, . . . . .	4	1,100,000
Lynn, . . . . .	2	300,000
Malden, . . . . .	1	100,000
Marblehead, . . . . .	2	220,000
Millbury, . . . . .	1	50,000
Milford, . . . . .	1	150,000
Nantucket, . . . . .	1	200,000
Newburyport, . . . . .	3	510,000
New Bedford, . . . . .	4	1,900,000
Newton, . . . . .	1	150,000
Northampton, . . . . .	2	400,000
North Adams, . . . . .	1	250,000
Oxford, . . . . .	1	100,000
Pittsfield, . . . . .	1	200,000
Plymouth, . . . . .	2	200,000
Quincy, . . . . .	1	100,000
Randolph, . . . . .	1	150,000
Rockport, . . . . .	1	100,000
Roxbury, . . . . .	1	150,000
Salem, . . . . .	7	1,750,000
Springfield, . . . . .	5	1,150,000
Salisbury, . . . . .	1	100,000
Southbridge, . . . . .	1	100,000
Stockbridge, . . . . .	1	100,000
Taunton, . . . . .	3	500,000
Uxbridge, . . . . .	1	100,000
Ware, . . . . .	1	200,000
Waltham, . . . . .	1	100,000

## No. of Banks. Capital.

Wareham, . . . . .	1	100,000
Westfield, . . . . .	2	200,000
Weymouth, . . . . .	1	100,000
Worcester, . . . . .	5	1,000,000
Wrentham, . . . . .	1	150,000
Yarmouth, . . . . .	1	300,000
Total, . . . . .	137	\$ 43,350,000

## RHODE ISLAND.

Providence, . . . . .	26	\$ 8,798,437
Bristol, . . . . .	4	340,000
Cranston, . . . . .	1	25,000
Coventry, . . . . .	1	40,000
Cumberland, . . . . .	3	275,000
East Greenwich, . . . . .	1	81,960
Exeter, . . . . .	1	21,330
Foster, . . . . .	1	60,000
Gloucester, . . . . .	1	38,000
Newport, . . . . .	7	680,000
Pascoag, . . . . .	1	100,000
South Kingston, . . . . .	2	150,000
North Kingston, . . . . .	2	125,000
North Providence, . . . . .	3	269,000
Scituate, . . . . .	1	40,000
Smithfield, . . . . .	4	234,775
Tiverton, . . . . .	1	200,000
Warren, . . . . .	2	260,000
Warwick, . . . . .	2	75,000
Wakefield, . . . . .	1	100,000
Woonsocket, . . . . .	1	100,000
Westerly, . . . . .	3	325,000
Total, . . . . .	69	\$ 12,338,502

## NEW JERSEY.

Belvidere, . . . . .	1	\$ 146,880
Bridgton, . . . . .	1	52,050
Burlington, . . . . .	1	50,000
Camden, . . . . .	1	260,000
Dover, . . . . .	1	100,000
Elizabethtown, . . . . .	1	200,000
Medford, . . . . .	1	70,000
Mount Holly, . . . . .	1	100,000
Middletown Point, . . . . .	1	50,000
Morristown, . . . . .	1	50,000
Newark, . . . . .	4	1,808,650
New Brunswick, . . . . .	2	190,340
Newton, . . . . .	1	134,480
Orange, . . . . .	1	102,500
Princeton, . . . . .	1	90,000
Rahway, . . . . .	1	130,000
Salem, . . . . .	1	75,000
Somerville, . . . . .	1	50,000
Trenton, . . . . .	2	310,000
Wantage, . . . . .	1	50,000
Total, . . . . .	25	\$ 4,019,900

## LOUISIANA.

New Orleans, . . . . .	5	\$ 12,257,120
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NEW YORK.			No. of Banks. Capital.	
	No. of Banks.	Capital.		
New York City, . . . . .	40	\$ 35,442,050	Leedsville, . . . . .	1 10,000
Adams, . . . . .	1	50,000	Le Roy, . . . . .	1 100,000
Albany, . . . . .	6	2,043,100	Little Falls, . . . . .	1 300,000
Albion, . . . . .	2	275,906	Lockport, . . . . .	4 282,630
Amenia, . . . . .	1	50,000	Lowville, . . . . .	1 102,450
Amsterdam, . . . . .	1	116,000	Madrid, . . . . .	1 10,000
Arietta, . . . . .	1	6,500	Martinsburg, . . . . .	1 100,000
Auburn, . . . . .	2	450,000	Meridian, . . . . .	1 25,000
Bainbridge, . . . . .	1	5,000	Middletown, . . . . .	1 100,000
Brooklyn, . . . . .	4	1,300,000	Mohawk, . . . . .	1 150,000
Ballston Spa, . . . . .	1	125,000	Monticello, . . . . .	2 165,000
Batavia, . . . . .	3	251,456	Naples, . . . . .	2 14,900
Bath, . . . . .	1	150,000	Newark, . . . . .	1 20,000
Binghampton, . . . . .	1	100,000	Newburgh, . . . . .	4 632,892
Brasher Falls, . . . . .	1	5,000	North Granville, . . . . .	2 10,000
Buffalo, . . . . .	9	987,000	Norwich, . . . . .	1 120,000
Burton, . . . . .	1	9,662	Ogdenburg, . . . . .	3 210,000
Canandalgua, . . . . .	2	200,000	Oswego, . . . . .	2 285,000
Camden, . . . . .	1	120,000	Owego, . . . . .	1 200,000
Carmel, . . . . .	1	55,600	Painted Post, . . . . .	1 5,000
Catskill, . . . . .	2	225,000	Palmyra, . . . . .	1 25,000
Chester, . . . . .	1	100,400	Pawling, . . . . .	1 125,000
Clinton, . . . . .	1	50,000	Pennyan, . . . . .	2 106,800
Clyde, . . . . .	1	56,687	Peekskill, . . . . .	1 200,000
Cherry Valley, . . . . .	1	120,000	Pine Plains, . . . . .	1 100,000
Cooperstown, . . . . .	1	100,000	Potsdam, . . . . .	1 50,000
Corning, . . . . .	1	104,500	Poughkeepsie, . . . . .	3 550,000
Cazenovia, . . . . .	1	100,000	Prattsville, . . . . .	1 80,000
Danville, . . . . .	1	150,250	Putnam Valley, . . . . .	1 91,234
Delhi, . . . . .	1	149,500	Rochester, . . . . .	5 930,000
Dunkirk, . . . . .	1	11,500	Rome, . . . . .	3 287,200
Durham, . . . . .	1	20,000	Rondout, . . . . .	1 100,000
Elmira, . . . . .	2	271,500	Sacket's Harbor, . . . . .	1 200,000
Farmers' Mills, . . . . .	1	300,000	Sag Harbor, . . . . .	1 20,000
Fishkill, . . . . .	1	120,000	Saratoga Springs, . . . . .	1 60,000
Fort Plain, . . . . .	1	100,000	Saugerties, . . . . .	1 10,000
Friendship, . . . . .	1	5,000	Schenectady, . . . . .	2 315,000
French Creek, . . . . .	1	5,000	Silver Creek, . . . . .	1 92,350
Fredonia, . . . . .	1	50,000	Somers, . . . . .	1 111,150
Genesee, . . . . .	1	100,000	Syracuse, . . . . .	6 885,000
Geneseo, . . . . .	1	117,400	Troy, . . . . .	6 1,768,000
Geneva, . . . . .	1	400,000	Unadilla, . . . . .	1 160,500
Gosben, . . . . .	1	105,680	Utica, . . . . .	5 1,610,300
Granby, . . . . .	1	15,000	Union Ellery, . . . . .	1 10,000
Hadley, . . . . .	1	5,000	Union Village, . . . . .	1 150,075
Half Moon, . . . . .	1	102,775	Vernon Village, . . . . .	1 100,000
Hamilton, . . . . .	1	51,000	Waterford, . . . . .	1 100,000
Hartford, . . . . .	1	15,000	Waterloo, . . . . .	1 200,000
Hebron, . . . . .	1	15,000	Watertown, . . . . .	5 508,828
Herkimer, . . . . .	1	100,800	Waterville, . . . . .	1 120,000
Hudson, . . . . .	2	313,800	Westfield, . . . . .	1 30,000
Huntsville, . . . . .	1	5,000	Whitehall, . . . . .	2 208,200
Ithaca, . . . . .	2	300,000	Whitestown, . . . . .	1 120,000
Jamestown, . . . . .	1	100,000		
Johnstown, . . . . .	1	100,000	Total, . . . . .	218 \$ 53,490,934
Keeseville, . . . . .	1	100,000		
Kinderhook, . . . . .	1	125,000		
Kingston, . . . . .	2	300,000		
Lansingburg, . . . . .	1	120,000		

# Banking Capital of the United States.

569

OHIO.			PENNSYLVANIA.		
	No. of Banks.	Capital.		No. of Banks.	Capital.
Akron, . . . . .	1	\$ 100,000	Philadelphia, . . . . .	15	\$ 10,518,600
Ashland, . . . . .	1	100,000	Bristol, . . . . .	1	92,220
Athens, . . . . .	1	100,000	Brownsville, . . . . .	1	175,000
Bridgeport, . . . . .	1	100,000	Carlisle, . . . . .	1	22,500
Cadiz, . . . . .	1	100,000	Chambersburg, . . . . .	1	205,470
Chillicothe, . . . . .	2	400,000	Chester, . . . . .	1	155,640
Cincinnati, . . . . .	6	1,725,126	Columbia, . . . . .	1	307,300
Circleville, . . . . .	2	250,000	Danville, . . . . .	1	165,770
Cleveland, . . . . .	4	400,000	Doylestown, . . . . .	1	60,000
Columbus, . . . . .	4	698,080	Easton, . . . . .	2	550,000
Cuyahoga Falls, . . . . .	1	85,700	Erie, . . . . .	1	101,880
Dayton, . . . . .	2	291,850	Germantown, . . . . .	1	152,000
Delaware, . . . . .	1	93,500	Gettysburg, . . . . .	1	123,873
Easton, . . . . .	1	100,000	Hanover, . . . . .	1	36,000
Elyria, . . . . .	1	99,000	Harrisburg, . . . . .	2	350,000
Lancaster, . . . . .	1	100,000	Honesdale, . . . . .	1	100,000
Logan, . . . . .	1	90,820	Lancaster, . . . . .	4	955,618
Mansfield, . . . . .	1	160,000	Lebanon, . . . . .	1	80,320
Marion, . . . . .	1	100,000	Middletown, . . . . .	1	100,000
Marietta, . . . . .	1	100,000	Norristown, . . . . .	1	394,995
Masillon, . . . . .	3	450,000	Northumberland, . . . . .	1	160,000
Mount Pleasant, . . . . .	1	100,000	Pittsburg, . . . . .	4	2,618,545
Mount Vernon, . . . . .	1	100,000	Pottsville, . . . . .	1	199,920
Norwalk, . . . . .	1	125,000	Reading, . . . . .	1	300,360
Newark, . . . . .	1	100,000	Schuylkill Haven, . . . . .	1	100,000
Palmsville, . . . . .	1	40,000	Washington, . . . . .	1	120,000
Piqua, . . . . .	1	100,000	Waynesburg, . . . . .	1	100,000
Portsmouth, . . . . .	1	100,000	Westchester, . . . . .	1	225,000
Ravenna, . . . . .	1	103,000	Wilkesbarre, . . . . .	1	85,330
Ripley, . . . . .	1	100,000	Williamsport, . . . . .	1	100,000
Salem, . . . . .	1	100,000	York, . . . . .	2	320,000
Sandusky, . . . . .	1	63,500			
Springfield, . . . . .	2	200,000	Total, . . . . .	54	\$ 18,968,351
Staubenville, . . . . .	1	100,000			
Tiffin, . . . . .	1	50,000			
Toledo, . . . . .	2	280,500			
Troy, . . . . .	1	100,000			
Warren, . . . . .	1	65,000			
Washington, . . . . .	1	100,000			
Wooster, . . . . .	1	81,500			
Xenia, . . . . .	1	150,000			
Youngstown, . . . . .	1	25,000			
Zanesville, . . . . .	2	200,000			
Total, . . . . .	61	\$ 7,866,376			
MARYLAND.			GEORGIA.		
Baltimore, . . . . .	12	\$ 7,140,316	Augusta, . . . . .	6	\$ 2,624,900
Annapolis, . . . . .	1	268,000	Athens, . . . . .	1	100,000
Chestertown, . . . . .	1	100,000	Columbus, . . . . .	1	134,375
Cumberland, . . . . .	2	262,074	Eatonton, . . . . .	1	100,000
Ellicott's Mills, . . . . .	1	125,000	Griffin, . . . . .	1	100,000
Easton, . . . . .	1	271,575	Macon, . . . . .	2	100,000
Frederick, . . . . .	3	595,430	Savannah, . . . . .	5	2,369,940
Hagerstown, . . . . .	1	260,000	Washington, . . . . .	1	100,000
Port Deposit, . . . . .	1	50,000			
Westminster, . . . . .	2	110,000	Total, . . . . .	18	\$ 5,629,215
Williamsport, . . . . .	1	135,000			
Total, . . . . .	26	\$ 9,287,395			
WISCONSIN.			MISSOURI.		
Milwaukee, . . . . .	1	\$ 225,000	Fayette, . . . . .	1	\$ 121,000
			Jackson, . . . . .	1	121,000
			Lexington, . . . . .	1	121,000
			Palmyra, . . . . .	1	121,000
			Springfield, . . . . .	1	121,000
			St. Louis, . . . . .	1	603,751
			Total, . . . . .	6	\$ 1,208,751
			DISTRICT OF COLUMBIA.		
			Georgetown, . . . . .	1	\$ 300,000
			Washington, . . . . .	3	862,300
			Total, . . . . .	4	\$ 1,162,300

KENTUCKY.			NORTH CAROLINA.		
	No. of Banks.	Capital.		No. of Banks.	Capital.
Bowling Green, . . . . .	1	\$ 175,000	Asheville, . . . . .	1	125,000
Covington, . . . . .	2	850,000	Charlotte, . . . . .	1	125,000
Dauville, . . . . .	1	220,000	Elizabeth City, . . . . .	1	100,000
Frankfort, . . . . .	2	650,000	Fayetteville, . . . . .	3	855,000
Flemingsburg, . . . . .	1	100,000	Greensboro, . . . . .	1	100,000
Greensburg, . . . . .	1	125,000	Milton, . . . . .	1	125,000
Henderson, . . . . .	1	250,000	Morganton, . . . . .	1	100,000
Hopkinsville, . . . . .	1	250,000	Newbern, . . . . .	2	375,000
Lexington, . . . . .	2	1,530,000	Raleigh, . . . . .	2	425,000
Louisville, . . . . .	2	2,980,000	Salem, . . . . .	1	150,000
Mayesville, . . . . .	2	850,000	Salisbury, . . . . .	1	125,000
Mount Sterling, . . . . .	1	200,000	Tarboro, . . . . .	1	150,000
Owensboro, . . . . .	1	300,000	Wadesboro, . . . . .	1	200,000
Paducah, . . . . .	1	100,000	Washington, . . . . .	2	300,000
Paris, . . . . .	1	370,000	Wilmington, . . . . .	3	1,050,000
Princeton, . . . . .	1	300,000	Total, . . . . .	22	\$ 4,305,000
Richmond, . . . . .	1	150,000			
Russellville, . . . . .	1	400,000	SOUTH CAROLINA.		
Somerseset, . . . . .	1	100,000	Camden, . . . . .	2	\$ 377,600
Smithland, . . . . .	1	300,000	Charleston, . . . . .	7	9,153,583
Total, . . . . .	26	\$ 10,180,000	Columbia, . . . . .	2	800,000
			Cheraw, . . . . .	1	400,000
VIRGINIA.			Georgetown, . . . . .	1	200,000
Abingdon, . . . . .	1	\$ 100,000	Hamburg, . . . . .	1	500,000
Alexandria, . . . . .	3	657,000	Total, . . . . .	14	\$ 11,431,183
Buchanan, . . . . .	1	105,000			
Charleston, . . . . .	1	150,000	INDIANA.		
Charlestown, . . . . .	1	190,000	Bedford, . . . . .	1	\$ 91,753
Charlottesville, . . . . .	1	104,000	Evansville, . . . . .	1	151,886
Clarksville, . . . . .	1	200,000	Fort Wayne, . . . . .	1	145,031
Danville, . . . . .	2	190,000	Indianapolis, . . . . .	2	219,900
Farmville, . . . . .	1	150,000	Lafayette, . . . . .	1	187,750
Fredericksburg, . . . . .	2	550,000	Lawrenceburg, . . . . .	1	215,000
Jeffersonville, . . . . .	1	66,500	Madison, . . . . .	1	212,550
Leesburg, . . . . .	1	180,000	Michigan City, . . . . .	1	120,000
Lynchburg, . . . . .	2	600,000	New Albany, . . . . .	1	163,850
Morgantown, . . . . .	1	75,000	Richmond, . . . . .	1	167,000
Norfolk, . . . . .	3	991,000	South Bend, . . . . .	1	102,341
Parkersburg, . . . . .	1	100,000	Terre Haute, . . . . .	1	157,900
Petersburg, . . . . .	3	1,170,000	Vincennes, . . . . .	1	147,200
Portsmouth, . . . . .	1	225,000	Total, . . . . .	14	\$ 2,082,151
Richmond, . . . . .	3	2,114,000			
Romney, . . . . .	1	200,000	TENNESSEE.		
Salem, . . . . .	1	100,000	Athens, . . . . .	2	\$ 249,150
Staunton, . . . . .	1	100,000	Chattanooga, . . . . .	1	100,000
Wheeling, . . . . .	2	969,100	Clarksville, . . . . .	2	223,931
Wellsburg, . . . . .	1	118,000	Columbia, . . . . .	2	190,130
Winchester, . . . . .	2	690,000	Franklin, . . . . .	1	200,000
Wytheville, . . . . .	1	130,000	Jackson, . . . . .	1	200,000
Total, . . . . .	30	\$ 10,214,600	Knoxville, . . . . .	2	150,000
			Lawrenceburg, . . . . .	1	100,000
DELAWARE.			Memphis, . . . . .	2	400,000
Delaware City, . . . . .	1	\$ 50,000	Nashville, . . . . .	3	5,181,500
Dever, . . . . .	1	186,000	Pulaski, . . . . .	1	200,000
Georgetown, . . . . .	1	120,000	Rogersville, . . . . .	1	254,208
Newcastle, . . . . .	1	138,000	Shelbyville, . . . . .	1	223,931
Smyrna, . . . . .	1	100,000	Somersville, . . . . .	1	254,208
Wilmington, . . . . .	4	846,000	Sparta, . . . . .	1	223,931
Total, . . . . .	9	\$ 1,440,000	Trenton, . . . . .	1	254,208
			Total, . . . . .	23	\$ 8,405,197
MISSISSIPPI.					
Holly Springs, . . . . .	1	\$ 100,000	MICHIGAN.		
			Detroit, . . . . .	4	\$ 762,000
ALABAMA.					
Mobile, . . . . .	2	\$ 2,000,000			

## BANK STATISTICS.

## CONNECTICUT.

*Liabilities and Resources of the several Banks in Connecticut,  
April, 1851.*

[From the Official Report.]

LIABILITIES.	Capital.	Circulation.	Due Banks.	Deposits.	Profits.
Manufacturers' Bank, Birmingham, . . . . .	\$ 101,490	\$ 92,824	. . . . .	\$ 31,590	\$ 8,108
Bridgeport Bank, . . . . .	210,000	266,197	\$ 11,400	73,202	41,798
Connecticut Bank, . . . . .	336,800	196,300	16,680	78,895	46,743
Farmers' Bank, Bridgeport, . . . . .	197,420	228,664	13,126	69,233	7,150
Windham County Bank, Brooklyn, . . . . .	64,400	68,383	1,167	11,225	6,990
Danbury Bank, . . . . .	98,600	125,657	5,835	35,335	13,838
Deep River Bank, . . . . .	75,000	68,850	4,760	23,840	2,667
East Haddam Bank, . . . . .	71,320	72,550	530	15,044	11,055
Iron Bank, Falls Village, . . . . .	106,000	124,518	2,210	36,130	23,698
Exchange Bank, Hartford, . . . . .	535,000	295,540	12,528	240,922	49,682
Connecticut River Bank, Hartford, . . . . .	250,000	115,788	5,784	44,555	26,323
Farmers and Mechanics' Bank, Hartford, . . . . .	592,400	396,983	36,292	169,125	115,806
Hartford Bank, . . . . .	1,134,600	508,223	126,494	294,130	168,517
Phoenix Bank, Hartford, . . . . .	1,265,600	518,032	48,886	240,721	192,334
State Bank, Hartford, . . . . .	410,100	378,433	19,695	227,436	25,548
Jewett City Bank, . . . . .	44,000	33,503	3,030	1,228	4,138
Meriden Bank, . . . . .	234,750	70,500	5,256	25,203	14,634
Middlesex County Bank, . . . . .	296,600	111,100	4,573	50,130	22,582
Middletown Bank, . . . . .	269,300	147,125	10,743	111,956	26,168
Mystic Bank, . . . . .	52,800	69,903	802	35,054	11,202
City Bank, New Haven, . . . . .	500,000	385,600	20,194	130,302	46,016
Mechanics' Bank, New Haven, . . . . .	300,000	161,572	60,818	138,403	32,792
New Haven Bank, . . . . .	364,800	166,290	3,545	123,710	29,548
New Haven County Bank, New Haven, . . . . .	523,826	456,136	27,173	168,986	68,276
New London Bank, . . . . .	150,875	59,178	3,293	22,746	10,392
Union Bank, New London, . . . . .	100,000	98,129	2,617	26,672	18,478
Whaling Bank, New London, . . . . .	163,750	70,000	7,368	51,710	16,268
Pawcatuck Bank, . . . . .	75,000	40,472	075	7,068	2,633
Saybrook Bank, . . . . .	76,010	119,220	. . .	36,368	6,940
Stamford Bank, . . . . .	60,000	115,677	9,515	29,680	12,513
Stonington Bank, . . . . .	60,000	37,192	498	25,172	11,896
Thompson Bank, . . . . .	60,000	46,933	. . .	4,878	5,496
Tolland County Bank, . . . . .	80,800	109,114	12,511	59,150	19,306
Waterbury Bank, . . . . .	319,112	136,750	9,272	54,668	9,688
Windham Bank, . . . . .	60,000	56,226	150	18,522	4,408
Winsted Bank, . . . . .	100,000	96,656	8,195	19,796	10,423
Fairfield County Bank, . . . . .	175,330	207,271	6,435	47,664	18,698
Merchants' Bank, Norwich, . . . . .	216,295	89,811	1,357	162,900	17,368
Norwich Bank, . . . . .	210,000	86,510	33,606	46,650	18,200
Quinebaug Bank, Norwich, . . . . .	268,580	100,411	11,883	95,614	25,166
Thames Bank, Norwich, . . . . .	325,400	107,714	712	58,452	18,407
Total liabilities, . . . . .	\$ 10,575,857	\$ 6,639,833	\$ 549,098	\$ 3,154,065	\$ 1,221,178

"In reference to all these examinations we would cheerfully say, that the cashiers and other officers have, in every instance, manifested a disposition to invite, rather than evade, a full and critical inspection of all their affairs. And we are prepared to say, as the result of our examinations, that the banks of Connecticut are perfectly healthy and sound, and that none of the moneyed institutions of this country can be more so." — *Bank Commissioners' Report, May, 1851.*

Resources.	Real Estate.	Specie.	Bank Notes.	Bank Balances.	Loans.
Manufacturers' Bank, Birmingham, . .	\$ 5,616	\$ 10,190	\$ 2,800	\$ 28,795	\$ 186,612
Bridgeport Bank, . . . . .	13,668	28,600	9,066	148,943	403,040
Connecticut Bank, . . . . .	23,555	21,533	11,100	68,600	552,630
Farmers' Bank, Bridgeport, . . . . .	. . .	24,975	10,398	96,504	383,716
Windham County Bank, Brooklyn, . . .	. . .	7,780	1,412	23,480	119,333
Danbury Bank, . . . . .	6,012	14,055	5,306	15,426	238,360
Deep River Bank, . . . . .	2,420	9,390	30	26,846	126,503
East Haddam Bank, . . . . .	2,300	7,548	114	26,607	124,030
Iron Bank, Falls Village, . . . . .	2,230	13,335	1,995	84,886	189,300
Exchange Bank, Hartford, . . . . .	18,565	26,980	20,080	47,753	1,011,294
Connecticut River Bank, Hartford, . .	7,000	14,908	10,270	47,466	362,794
Farmers and Mechanics' Bank, Hartford,	15,000	47,278	16,586	44,570	1,177,233
Hartford Bank, . . . . .	15,000	68,642	23,135	115,588	2,009,600
Phoenix Bank, Hartford, . . . . .	34,266	59,236	30,224	98,933	2,062,716
State Bank, Hartford, . . . . .	. . .	40,226	12,167	22,672	985,126
Jewett City Bank, . . . . .	4,670	3,413	111	3,318	74,357
Meriden Bank, . . . . .	4,120	9,500	1,274	19,568	315,738
Middlesex County Bank, . . . . .	. . .	12,447	693	13,620	368,226
Middletown Bank, . . . . .	5,180	18,176	3,836	36,515	601,610
Mystic Bank, . . . . .	600	7,322	3,063	24,730	134,045
City Bank, New Haven, . . . . .	61,295	42,945	11,272	196,572	771,027
Mechanics' Bank, New Haven, . . . .	17,000	17,127	26,312	73,092	660,084
New Haven Bank, . . . . .	7,900	21,806	5,047	47,158	605,932
New Haven County Bank, New Haven,	8,000	47,306	12,990	203,428	974,672
New London Bank, . . . . .	3,800	5,937	2,000	23,032	212,015
Union Bank, New London, . . . . .	2,500	20,974	2,861	57,643	171,918
Whaling Bank, New London, . . . . .	100	7,200	4,500	37,514	269,817
Pawcatuck Bank, . . . . .	2,977	4,594	1,550	6,667	109,460
Saybrook Bank, . . . . .	1,962	12,550	3,856	55,880	163,600
Stamford Bank, . . . . .	4,598	11,978	3,327	45,418	162,086
Stonington Bank, . . . . .	500	10,730	3,763	12,903	106,912
Thompson Bank, . . . . .	1,878	4,880	401	13,715	96,433
Tolland County Bank, . . . . .	2,365	17,168	5,976	20,910	224,476
Waterbury Bank, . . . . .	9,210	12,720	2,681	46,688	457,190
Windham Bank, . . . . .	1,583	6,511	1,963	21,760	107,800
Winsted Bank, . . . . .	2,518	10,033	3,497	16,598	203,424
Fairfield County Bank, . . . . .	6,416	22,056	10,594	69,315	358,088
Merchants' Bank, Norwich, . . . . .	3,000	9,140	19,750	21,700	434,141
Norwich Bank, . . . . .	6,633	10,080	8,294	29,175	340,793
Quinebaug Bank, Norwich, . . . . .	65,268	10,615	11,320	15,946	378,515
Thames Bank, Norwich, . . . . .	4,660	13,081	10,966	16,976	464,962
Total resources, . . . . .	\$ 394,985	\$ 774,867	\$ 317,140	\$ 2,043,205	\$ 18,609,756

The following banks have increased their capitals since the Annual Report of 1850:—

Hartford, Farmers and Mechanics',	\$ 25,300	Birmingham, Manufacturers' Bank, .	\$ 19,156
" State Bank, . . . . .	120,215	Norwich, Quinebaug Bank, . . . .	18,580
New Haven, New Haven County Bank,	6,750	" Thames Bank, . . . . .	6,000
Bridgeport, Connecticut Bank, . . . .	1,600	" Merchants' Bank, . . . . .	6,166
" Farmers' Bank, . . . . .	69,630	Middletown, Middlesex County Bank, .	3,100
Norwalk, Fairfield County Bank, . . .	75,330	Brooklyn, Windham County Bank, .	1,300
Meriden, Meriden Bank, . . . . .	79,750	Danbury, Danbury Bank, . . . . .	420
Waterbury, Waterbury Bank, . . . . .	119,112	Stonington, Stonington Bank, . . . .	260
Deep River, Deep River Bank, . . . .	20,000	E. Haddam, East Haddam Bank, . . .	80
Winsted, Winsted Bank, . . . . .	26,766	Falls Village, Iron Bank, . . . . .	50
Saybrook, Saybrook Bank, . . . . .	24,220		
Pawcatuck, Pawcatuck Bank, . . . . .	25,460	Total for 1851, . . . . .	\$ 668,354

*Comparative View of the Banks of Connecticut for the Years  
1846 - 1851.*

LIABILITIES.	1846.	1847.	1849.	1850.	April, 1851.
Capital, . . . . .	\$ 8,475,630	\$ 8,606,742	\$ 8,985,916	\$ 9,907,503	\$ 10,575,857
Circulation, . . . . .	4,565,947	4,437,631	4,511,571	5,253,894	6,639,833
Bank balances, . . . . .	362,118	245,817	364,966	408,769	549,028
Individual deposits, . . . . .	1,891,973	1,782,922	2,133,492	2,395,312	3,154,055
Undivided profits, . . . . .	597,017	712,660	951,057	1,096,741	1,221,178
<b>Totals, . . . . .</b>	<b>\$ 15,892,685</b>	<b>\$ 15,784,772</b>	<b>\$ 16,947,002</b>	<b>\$ 19,122,209</b>	<b>\$ 22,139,951</b>
RESOURCES.	1846.	1847.	1849.	1850.	1851.
Real estate, . . . . .	\$ 386,956	\$ 349,045	\$ 332,751	\$ 399,982	\$ 394,985
Specie, . . . . .	481,367	462,165	575,676	640,622	774,867
Bank notes, . . . . .	276,758	227,481	196,273	348,964	317,140
Bank balances, . . . . .	1,416,894	1,582,953	1,473,617	1,687,412	2,043,206
Loans, . . . . .	13,350,710	13,163,128	14,368,695	16,055,229	18,609,755
<b>Totals, . . . . .</b>	<b>\$ 15,892,685</b>	<b>\$ 15,784,772</b>	<b>\$ 16,947,002</b>	<b>\$ 19,122,209</b>	<b>\$ 22,139,953</b>

## VERMONT.

*Liabilities and Resources of the Twenty-nine Banks in Vermont,  
August, 1851.*

[Compiled for the Bankers' Magazine from the official returns.]

LIABILITIES.	Capital.	Circulation.	Due Banks.	Deposits.	Surplus.
Bank of Bellows Falls, . . . . .	\$ 100,000	\$ 134,262	. . .	\$ 27,820	\$ 6,843
Sark Bank, . . . . .	100,000	115,525	. . .	13,110	4,023
Brandon Bank, . . . . .	50,000	45,785	\$ 1,156	12,938	2,407
Bank of Brattleboro, . . . . .	150,000	156,972	. . .	19,656	5,246
Bank of Burlington, . . . . .	150,000	139,828	15,000	32,653	17,766
Commercial Bank, . . . . .	150,000	172,027	24,948	26,413	7,057
Farmers and Mechanics' Bank, . . . . .	150,000	188,500	4,444	40,407	23,057
Merchants' Bank, . . . . .	150,000	226,274	. . .	51,183	6,294
Orange County Bank, . . . . .	50,000	98,872	. . .	4,618	9,510
Bank of Caledonia, . . . . .	75,000	77,170	12,693	6,080	12,009
Danby Bank, . . . . .	45,612	59,889	. . .	3,124	23
Bank of Orleans, . . . . .	50,000	60,987	. . .	1,576	486
Battenkill Bank, . . . . .	50,000	69,489	. . .	6,456	1,015
Bank of Middlebury, . . . . .	75,000	97,608	973	15,333	9,920
Bank of Montpelier, . . . . .	100,000	166,724	. . .	29,496	12,330
Vermont Bank, . . . . .	100,000	168,157	. . .	31,002	6,564
Farmers' Bank, Orwell, . . . . .	100,000	101,227	6,094	47,555	4,198
Bank of Poultney, . . . . .	50,000	82,596	. . .	27,232	12,564
Bank of Black River, . . . . .	50,000	98,279	. . .	2,154	2,190
Bank of Rutland, . . . . .	150,000	157,408	. . .	26,897	4,247
Bank of St. Albans, . . . . .	50,000	83,146	3,951	40,396	7,169
Franklin County Bank, . . . . .	100,000	131,924	14,690	61,296	7,134
Pasumpsic Bank, . . . . .	100,000	154,690	. . .	14,504	3,636
Missisquoi Bank, . . . . .	50,000	85,708	5,000	17,868	1,031
Bank of Vergennes, . . . . .	100,000	116,150	3,520	29,532	25,043
Bank of Newbury, . . . . .	75,000	123,451	. . .	10,003	7,533
Ascutney Bank, . . . . .	50,000	97,492	. . .	10,012	5,746
Bank of Woodstock, . . . . .	60,000	112,620	. . .	16,806	2,295
Union Bank, . . . . .	52,500	46,279	. . .	2,661	525
<b>Total liabilities, . . . . .</b>	<b>\$ 2,533,112</b>	<b>\$ 3,377,026</b>	<b>\$ 92,459</b>	<b>\$ 629,791</b>	<b>\$ 207,933</b>

Resources.	Loans.	Bank Balances.	Bank Notes.	Specie.	Real Estate.
Bank of Bellows Falls, . . . . .	\$ 219,530	33,981	\$ 1,819	\$ 7,027	\$ 6,568
Stark Bank, . . . . .	199,625	24,327	1,091	5,716	2,000
Brandon Bank, . . . . .	101,654	5,848	1,103	2,781	. .
Bank of Brattleboro, . . . . .	261,442	42,758	9,692	15,030	2,950
Bank of Burlington, . . . . .	304,940	17,504	9,938	9,315	13,500
Commercial Bank, . . . . .	336,496	30,894	4,578	8,477	. .
Farmers and Mechanics' Bank, . . . . .	273,304	14,330	9,838	4,916	4,000
Merchants' Bank, . . . . .	272,195	45,575	7,736	11,586	6,650
Orange County Bank, . . . . .	130,160	24,322	1,804	4,903	1,800
Bank of Caledonia, . . . . .	164,460	3,000	9,206	3,787	2,500
Danby Bank, . . . . .	86,742	16,610	2,946	2,450	. .
Bank of Orleans, . . . . .	90,726	16,040	2,327	2,637	1,280
Battenkill Bank, . . . . .	88,513	31,975	1,325	3,947	1,200
Bank of Middlebury, . . . . .	133,437	54,987	3,454	3,856	3,000
Bank of Montpelier, . . . . .	267,904	36,713	3,263	8,030	2,600
Vermont Bank, . . . . .	270,604	22,966	4,996	7,137	. .
Farmers' Bank, Orwell, . . . . .	158,580	64,137	7,538	4,790	24,080
Bank of Poultney, . . . . .	144,074	24,431	. .	3,876	. .
Bank of Black River, . . . . .	135,483	8,260	. .	3,003	2,878
Bank of Rutland, . . . . .	266,227	51,630	412	11,728	10,554
Bank of St. Albans, . . . . .	146,223	21,938	10,553	5,088	1,400
Franklin County Bank, . . . . .	255,627	40,420	9,346	9,640	. .
Passumpsic Bank, . . . . .	233,814	28,434	2,980	6,653	. .
Missisquoi Bank, . . . . .	140,144	12,311	4,410	2,840	. .
Bank of Vergennes, . . . . .	228,672	27,920	2,080	7,562	8,000
Bank of Newbury, . . . . .	198,094	4,871	3,870	7,653	1,500
Ascutney Bank, . . . . .	150,600	9,965	108	2,576	. .
Bank of Woodstock, . . . . .	155,012	21,978	5,580	6,816	2,325
Union Bank, . . . . .	64,851	29,946	2,228	5,040	. .
Total resources, . . . . .	\$ 5,669,032	\$ 767,362	\$ 125,181	\$ 179,050	\$ 99,695

*Comparative Statement of the Liabilities and Resources of the  
Vermont Banks, 1849, 1850, 1851.*

LIABILITIES.	August, 1849.	August, 1850.	August, 1851.
Capital, . . . . .	\$ 1,829,395	\$ 2,159,410	\$ 2,533,112
Circulation, . . . . .	2,321,808	2,856,027	3,377,026
Bank balances, . . . . .	. . . . .	. . . . .	92,459
Deposits, . . . . .	* 351,659	* 619,100	629,790
Surplus, . . . . .	. . . . .	. . . . .	207,983
Total liabilities, . . . . .	\$ 4,502,862	\$ 5,634,537	\$ 6,540,320
RESOURCES.	August, 1849.	August, 1850.	August, 1851.
Loans, . . . . .	\$ 3,841,081	\$ 4,361,727	\$ 5,669,032
Bank balances, . . . . .	606,320	681,657	767,362
Bank notes, . . . . .	† 224,650	† 253,816	125,181
Specie, . . . . .	120,811	127,337	179,050
Real estate, . . . . .	. . . . .	. . . . .	99,695
Total resources, . . . . .	\$ 4,502,862	\$ 5,634,537	\$ 6,540,320

\* Including bank balances and surplus funds.

† Including real estate and miscellaneous resources.

The Report of the Auditor of Vermont, showing the banking movement of the State, in each of the past six years, gives the annexed statement of the condition of the leading departments:—

Years.	No. of Banks.	Capital.	Circulation.	Debts due.
1846 . . . . .	17	\$ 1,180,000	\$ 1,559,835	\$ 2,449,680
1847 . . . . .	18	1,301,500	2,362,392	2,942,501
1848 . . . . .	21	1,604,225	1,733,432	2,916,653
1849 . . . . .	23	1,899,395	2,321,808	3,541,081
1850 . . . . .	27	2,159,410	2,856,027	4,361,727
1851 . . . . .	31	2,603,112	3,377,027	5,566,193

The foregoing does not include the circulation or loans of the People's Bank at Derby Line, or the White River Bank at Bethel, which, when included, will show an increase of more than one hundred and twenty-five per cent. of bank capital, circulation, and loans, in Vermont, within the last five years.

## NEW YORK.

*Comparative View of the Condition of the Banks of the State of New York, at eight different Periods.*

LIABILITIES.	Nov. 1, 1845.	May 1, 1846.	Aug. 1, 1847.	Nov. 1, 1847.
Capital, . . . . .	\$ 42,845,000	\$ 43,829,000	\$ 43,214,000	\$ 43,279,891
Undivided profits, . . . . .	5,018,000	5,115,000	5,846,000	6,043,532
Circulation, old, . . . . .	881,000	894,000	735,000	716,690
Circulation, registered, . . . . .	20,494,000	19,993,000	24,364,000	25,520,636
Due Treasurer of the State, . . . . .	631,000	292,000	793,000	1,009,945
Due Canal Fund, . . . . .	1,561,000	354,000	1,290,000	1,603,119
Individual deposits, . . . . .	31,774,000	31,721,000	26,781,000	25,095,818
Special deposits, . . . . .	780,000	—	932,000	966,840
Bank balances, . . . . .	12,830,000	11,894,000	24,103,000	17,034,010
Due Treasurer of United States, . . . . .	3,008,000	2,493,000	—	—
Miscellaneous, . . . . .	555,000	551,000	710,000	977,865
<b>Total liabilities,</b> . . . . .	<b>\$ 120,402,000</b>	<b>\$ 116,995,000</b>	<b>\$ 133,768,000</b>	<b>\$ 132,249,276</b>
RESOURCES.	Nov. 1, 1845.	May 1, 1846.	Aug. 1, 1847.	Nov. 1, 1847.
Loans and discounts, . . . . .	\$ 69,165,000	\$ 66,808,000	\$ 73,743,000	\$ 74,138,431
Loans to directors, . . . . .	4,158,000	4,876,000	4,810,000	4,674,866
Loans to brokers, . . . . .	1,458,000	907,000	2,187,000	1,545,242
Bonds and mortgages, . . . . .	3,182,000	3,034,000	2,720,000	2,712,940
Stocks, &c., . . . . .	10,963,000	10,990,000	12,414,000	12,474,548
Due from directors, . . . . .	82,000	37,000	19,000	4,676
Due from brokers, . . . . .	353,000	417,000	526,000	624,658
<b>Total loans,</b> . . . . .	<b>\$ 89,322,000</b>	<b>\$ 87,060,000</b>	<b>\$ 96,429,000</b>	<b>\$ 97,075,260</b>
Real estate, . . . . .	3,645,000	3,516,000	3,459,000	3,464,618
Bank fund, . . . . .	226,000	173,000	142,000	140,392
Loss and expense account, . . . . .	426,000	364,000	275,000	491,519
Overdrafts, . . . . .	123,000	126,000	112,000	117,090
Specie, . . . . .	8,865,000	8,172,000	11,953,000	9,107,920
Cash items, . . . . .	5,948,000	5,840,000	9,870,000	8,708,677
Notes of solvent banks, . . . . .	2,259,000	2,651,000	2,656,000	2,490,375
Notes of suspended banks, . . . . .	14,000	5,000	3,000	2,780
Bank balances, . . . . .	9,534,000	8,860,000	14,273,000	10,726,755
<b>Total resources,</b> . . . . .	<b>\$ 120,402,000</b>	<b>\$ 116,995,000</b>	<b>\$ 133,768,000</b>	<b>\$ 132,249,276</b>



## New York Banks. — Continued.

LIABILITIES.	Dec., 1848.	Sept., 1849.	Sept. 28, 1850.	Sept. 1851.
Capital, . . . . .	\$ 44,330,553	\$ 45,588,326	\$ 48,618,762	\$ 57,572,025
Profits, undivided, . . . . .	6,635,450	7,314,616	8,294,351	9,409,433
Circulation, . . . . .	23,205,290	23,696,520	26,425,556	27,254,458
Due State of New York, . . . . .	3,092,960	2,567,127	1,970,640	2,184,564
Individual deposits, . . . . .	29,205,333	37,342,770	48,803,553	48,901,810
* Bank balances, &c., . . . . .	13,829,637	16,381,300	23,695,960	17,236,465
Miscellaneous, . . . . .	981,727	1,375,814	1,151,697	1,461,947
Total liabilities, . . . . .	\$ 121,281,950	\$ 136,256,473	\$ 158,953,519	\$ 164,022,702
RESOURCES.	Dec., 1848.	Sept., 1849.	Sept. 28, 1850.	Sept. 1851.
Loans and discounts, . . . . .	\$ 69,733,890	\$ 81,118,923	\$ 95,890,141	\$ 100,460,690
Loans to directors, . . . . .	5,265,040	4,695,678	4,838,141	6,304,651
Loans to brokers, . . . . .	2,092,236	2,239,620	2,976,801	1,973,975
Bonds and mortgages, . . . . .	2,654,558	2,778,134	3,340,058	4,267,165
Stocks, . . . . .	12,476,758	12,362,750	13,177,944	15,333,571
Other loans, . . . . .	154,660	236,675	87,238	145,708
Total loans, . . . . .	92,377,142	\$ 103,431,730	\$ 120,310,323	\$ 128,475,780
Real estate, . . . . .	3,475,098	3,549,335	3,321,590	3,853,408
Loss and expense account, . . . . .	632,103	489,168	539,693	633,965
Overdrafts, . . . . .	166,107	183,163	226,970	283,712
Specie, . . . . .	6,817,814	9,020,175	10,043,230	7,021,520
Cash items, . . . . .	5,955,472	7,472,661	10,498,694	12,018,250
Notes of other banks, . . . . .	2,506,848	2,339,690	3,037,530	2,995,510
* Bank balances, . . . . .	9,351,378	9,770,501	10,975,269	8,840,583
Total resources, . . . . .	\$ 121,281,950	\$ 136,256,473	\$ 158,953,519	\$ 164,022,702

For the condition of each bank in the city of New York, refer to pp. 108 and 109 of the current volume, and pp. 692 and 693 of our last volume.

## NORTH CAROLINA.

## Commercial Bank of Wilmington, November 1, 1851.

LIABILITIES.	
Capital stock paid in, . . . . .	\$ 350,000
Bank-notes in circulation, . . . . .	264,869
Due banks within the State, . . . . .	8,412
Due individual depositors, . . . . .	67,578
Undivided profits, . . . . .	7,828
Total liabilities, . . . . .	\$ 698,373
RESOURCES.	
Notes discounted, . . . . .	\$ 304,838
Bills of exchange, . . . . .	171,327
Due by banks within the State, . . . . .	23,730
Due by banks out of the State, . . . . .	22,980
Real estate (banking-house and lot), . . . . .	7,883
Notes and checks on other banks, . . . . .	22,175
Specie on hand, . . . . .	145,466
Total resources, . . . . .	\$ 698,373

\* Including bank balances on demand and on interest, and balances due other corporations.

*Bank of Cape Fear and Branches.*

<b>LIABILITIES.</b>		<i>May, 1846.</i>	<i>May, 1848.</i>	<i>April, 1851.</i>	<i>Dec. 1, 1851.</i>
Capital, . . . . .		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Circulation, . . . . .		1,528,292	1,357,625	1,973,100	1,917,365
Individual deposits, . . . . .		202,816	192,755	342,250	334,513
Bank balances, . . . . .		16,627	17,526	23,453	20,366
Surplus, . . . . .		75,265	79,436	187,775	158,418
<b>Total liabilities, . . . . .</b>		<b>\$ 3,323,000</b>	<b>\$ 3,147,341</b>	<b>\$ 4,026,577</b>	<b>\$ 3,930,662</b>
<b>RESOURCES.</b>		<i>May, 1846.</i>	<i>May, 1848.</i>	<i>April, 1851.</i>	<i>Dec. 1, 1851.</i>
Discounted notes, . . . . .		\$ 1,817,908	\$ 1,771,883	\$ 1,932,573	\$ 2,103,131
Bills of exchange, . . . . .			239,337	529,800	241,060
Bank balances, . . . . .		656,725	65,037	281,185	339,506
Notes of other banks, . . . . .		229,208	142,185	214,417	262,716
Specie on hand, . . . . .		552,515	608,162	747,857	763,560
Real estate, . . . . .		66,648	70,737	70,845	70,700
United States stock, . . . . .			250,000	150,000	150,000
<b>Total resources, . . . . .</b>		<b>\$ 3,323,000</b>	<b>\$ 3,147,341</b>	<b>\$ 4,026,577</b>	<b>\$ 3,930,662</b>

## NEW HAMPSHIRE.

Our readers will find in the August No. of this work (page 104) a detailed list of the several banks in New Hampshire. Their aggregate capital was then \$ 2,500,400, and the following additions have since been made:—

Belknap County Bank, . . . . .	15,000	Cochecho Bank, <i>new</i> , . . . . .	\$ 100,000
Great Falls Bank, . . . . .	30,000	Carroll County Bank, <i>new</i> , . . . . .	50,000
Manchester Bank, . . . . .	15,000	Indian Head Bank, <i>new</i> , . . . . .	100,000
Rochester Bank, . . . . .	600	Pittsfield Bank, <i>new</i> , . . . . .	50,000
Rockingham Bank, . . . . .	10,000		
Stratford Bank, . . . . .	20,000	<b>Total additions since May, 1851, . . . . .</b>	<b>\$ 390,600</b>

*Liabilities and Resources of the Banks of New Hampshire.*

<b>LIABILITIES.</b>		<i>June, 1847, 20 banks.</i>	<i>March, 1850, 22 banks.</i>	<i>May, 1851, 24 banks.</i>	<i>Dec., 1851, 28 banks.</i>
Capital, . . . . .		\$ 1,800,000	\$ 2,203,950	\$ 2,500,400	\$ 2,991,000
Circulation, . . . . .		1,512,072	1,751,096	2,120,450	2,109,426
Deposits, . . . . .		538,058	453,670	563,813	541,696
Surplus, . . . . .			135,800	185,191	188,639
<b>Total liabilities, . . . . .</b>			<b>\$ 4,544,516</b>	<b>\$ 5,369,854</b>	<b>\$ 5,730,760</b>
<b>RESOURCES.</b>		<i>June, 1847.</i>	<i>March, 1850.</i>	<i>May, 1851.</i>	<i>Dec., 1851.</i>
Loans, . . . . .		\$ 3,406,033	\$ 3,952,158	\$ 4,613,045	\$ 5,027,625
Specie, . . . . .		144,018	149,671	138,107	153,181
Bank balances and notes, . . . . .			542,637	574,322	495,000
Real estate, . . . . .				44,380	54,954
<b>Total resources, . . . . .</b>			<b>\$ 4,544,516</b>	<b>\$ 5,369,854</b>	<b>\$ 5,730,760</b>

## POPULATION AND BANK CAPITAL OF THE PRINCIPAL CITIES OF THE UNITED STATES.

[Compiled from Recent Returns.]

Cities.		Population, 1840.	Population, 1850.	Bank Capital, 1851.
New York,	N. Y.,	312,000	515,000	\$ 35,442,000
Philadelphia,	Penn.,	258,000	409,000	10,518,000
Baltimore,	Md.,	134,000	169,000	7,140,000
Boston,	Mass.,	93,000	138,000	24,580,000
New Orleans,	La.,	102,000	119,000	12,267,000
Cincinnati,	Ohio,	46,000	116,000	1,726,000
Brooklyn,	N. Y.,	36,000	96,000	1,300,000
St. Louis,	Mo.,	16,000	82,000	603,000
Albany,	N. Y.,	41,000	50,000	2,043,000
Pittsburg,	Pa.,	21,000	50,000	2,618,000
Louisville,	Ky.,	21,200	43,200	2,960,000
Charleston,	S. C.,	29,200	42,800	9,153,000
Providence,	R. I.,	23,100	41,500	8,798,000
Buffalo,	N. Y.,	18,200	40,200	987,000
Washington,	D. C.,	23,300	40,000	882,000
Newark,	N. J.,	17,300	38,800	1,800,000
Rochester,	N. Y.,	20,200	26,700	930,000
Lowell,	Mass.,	20,800	23,000	1,100,000
Williamsburg,	N. Y.,	5,600	20,700	none.
Troy,	N. Y.,	19,300	28,700	1,788,000
Chicago,	Ill.,	4,400	28,200	none.
Savannah,	Geo.,	11,200	27,800	2,370,000
Richmond,	Va.,	20,100	27,400	2,114,000
Portland,	Maine,	15,200	26,800	1,126,000
New Haven,	Conn.,	14,900	22,500	1,987,000
Syracuse,	N. Y.,	6,500	22,200	885,000
Springfield,	Mass.,	11,000	21,600	1,150,000
Paterson,	N. J.,	7,500	21,300	none.
Detroit,	Mich.,	9,100	21,000	762,000
Mobile,	Ala.,	12,600	20,500	2,000,000
Milwaukee,	Wis.,	1,700	20,000	225,000
Manchester,	N. H.,	3,200	19,000	260,000
Salem,	Mass.,	15,000	18,900	1,750,000
Lawrence,	Mass.,		18,300	500,000
Hartford,	Conn.,	12,800	18,000	4,697,000
Nashville,	Tenn.,	6,900	17,500	5,181,000
Columbus,	Ohio,	6,000	17,300	698,000
Utica,	N. Y.,	12,800	17,200	1,610,000
Cleveland,	Ohio,	6,000	17,000	400,900
Bangor,	Maine,	8,600	14,400	1,000,000

PRIVATE BANKING. — By an advertisement in the *London Times*, it appears that the Union Bank of London, as the correspondents of Duncan, Sherman, & Co. of New York, are prepared to issue letters of credit or circular notes, payable at the option of the holder in most of the principal cities or towns of the United States and Canada. The system has long been in extensive use for travellers on the Continent, but this is its first introduction into America. It will prove highly convenient to many parties who may be indisposed to incur the risk and trouble of carrying notes or gold. — *New York Journal of Commerce*.

## BANK CAPITAL OF THE SEVERAL STATES.

*Table showing the Population in the Year 1850, the Number of Banks, Bank Capital, Bank Circulation, and Coin, of each of the States, December, 1851.*

NOTE. — In those States marked with an asterisk (\*) the amounts are, *in part*, estimated; but it is believed that they approximate the respective amounts at this date.

In Illinois a free banking system has been submitted to the people, and, at a popular election this year, approved by them. In this State there will probably soon be established several banks of circulation, based upon State stocks.

In Florida, a law was passed last winter authorizing the establishment of a bank at Tallahassee; but we do not learn that it has been yet organized. In the States of Illinois and Arkansas, the circulation of the Kentucky, Missouri, and Indiana banks is generally used.

STATE.	Population 1850.	No. of Banks.	Bank Capital.	Bank Circulation.	Bank Coin.
Maine, . . . . .	583,000	38	\$ 4,098,000	\$ 3,200,000	\$ 630,000
New Hampshire, . . . . .	318,000	26	2,586,000	2,120,000	140,000
Vermont, . . . . .	314,000	31	2,686,000	3,377,000	180,000
Massachusetts, . . . . .	994,000	137	43,360,000	17,000,000	3,000,000
Rhode Island, . . . . .	148,000	69	12,338,502	3,000,000	350,000
Connecticut, . . . . .	371,000	47	13,176,676	6,640,000	800,000
New York, . . . . .	3,090,000	218	68,497,345	27,200,000	7,000,000
New Jersey, . . . . .	490,000	26	4,019,900	3,600,000	750,000
Pennsylvania, . . . . .	2,311,000	54	18,966,361	12,000,000	6,200,000
* Delaware, . . . . .	91,000	9	1,440,000	1,000,000	250,000
* Maryland, . . . . .	553,000	26	9,287,396	3,700,000	3,000,000
District of Columbia, . . . . .	52,000	4	1,182,300	360,000	300,000
Virginia, . . . . .	1,421,000	39	10,214,600	11,600,000	3,660,000
North Carolina, . . . . .	869,000	22	4,306,000	4,600,000	2,000,000
* South Carolina, . . . . .	689,000	14	11,431,183	7,500,000	2,600,000
* Georgia, . . . . .	906,000	18	6,629,215	4,300,000	1,700,000
* Alabama, . . . . .	772,000	2	2,000,000	3,600,000	1,800,000
Indiana, . . . . .	969,000	14	2,082,161	3,680,000	1,300,000
* Iowa, . . . . .	192,000	1	200,000	100,000	50,000
Kentucky, . . . . .	982,000	26	10,180,000	7,450,000	3,300,000
Louisiana, . . . . .	500,000	5	12,267,120	3,600,000	4,300,000
Michigan, . . . . .	398,000	4	782,000	660,000	150,000
Missouri, . . . . .	682,000	6	1,208,761	2,400,000	1,500,000
Ohio, . . . . .	1,977,000	61	7,866,376	11,636,000	2,800,000
Tennessee, . . . . .	1,003,000	23	8,406,197	6,300,000	1,900,000
* Texas, . . . . .	187,000	1	300,000	400,000	200,000
* Wisconsin, . . . . .	304,000	1	226,000	260,000	100,000
Illinois, . . . . .	866,000	.	none.	none.	.
Florida, . . . . .	87,000	.	none.	none.	.
Arkansas, . . . . .	210,000	.	none.	none.	.
* Mississippi, . . . . .	563,000	1	100,000	100,000	50,000
California, . . . . .	200,000	.	.	.	.
Total, . . . . .	23,144,000	921	\$ 243,808,061	\$ 160,063,000	\$ 60,000,000

The relative progress of the several races and classes of the population in the United States is shown in the following tabular statement, and the increase per cent. of each class for sixty years.

	1790 to 1800.	1800 to 1810.	1810 to 1820.	1820 to 1830.	1830 to 1840.	1840 to 1850.
Whites, . . . . .	25.63	26.18	34.30	34.62	34.72	28.20
Free colored, . . . . .	82.28	72.00	27.76	34.86	20.88	10.96
Slaves, . . . . .	27.96	23.40	29.67	30.76	23.81	28.68
Total colored, . . . . .	32.23	37.69	29.33	31.31	23.40	26.16
Total population, . . . . .	36.02	36.60	33.36	33.92	32.67	36.18

## MISCELLANEOUS.

**A BANKING INSTITUTE.**—A meeting of gentlemen engaged in banking pursuits was held on the 22d of October, in London, when it was determined that "the establishment of a Banking Institute is calculated to prove advantageous to all parties engaged in banking pursuits, and is deserving the support of the banking interest." About three hundred gentlemen attended the meeting, when W. G. Prescott, Esq., was called to the chair. The measure was strongly urged by the following gentlemen: J. W. Gilbart, Charles Cave, and Messrs. Rogers, Chambers, Clarke, Barnard, Shaw, Dalton, and others, — all of whom are prominently connected with banking-houses.

A council of thirteen gentlemen was appointed for the ensuing year. A liberal subscription was made by the gentlemen present, to which equally liberal additions were subsequently made by numerous gentlemen who could not attend on the occasion.

The objects contemplated by the association are in part as follows: —

1. Periodical meetings of the members, for the purpose of reading and discussing papers on subjects connected with banking and commerce.
2. The publication of the proceedings of the Institute, including the papers read at the meetings, on a similar plan to that of the Statistical Society, &c.
3. The formation of a banking and mercantile library, for reference and for circulation.
4. The republication of rare and useful works on banking and commerce, and on various branches of political economy, on the plan of the Camden Society, and other societies established expressly for the republication of rare works on distinct subjects. Each member of the Institute to be entitled to copies of such works, and of all other publications of the society; so that the members may receive a portion of the value of their subscription in books.

These advantages will be obtainable by country and foreign members equally with town members.

A permanent committee will also be formed for the purpose of endeavoring to establish a guaranty fund, for the fidelity of bank officers, being members of the Institute (on the plan of that successfully adopted by the officers of the Bank of England, or on such other plan as may be considered more expedient).

A reading-room, supplied with the daily papers and periodicals, and commercial publications of importance, will be opened in a central part of London.

**PUBLIC DEBT OF GEORGIA.**—The *Macon Journal and Messenger* corrects the statement by the Governor of Georgia in his Message, wherein he estimates the debt of the State at \$1,424,722.22. The Governor omitted the liability of the State on account of the Central Bank. The State is bound for the debts of the Bank for \$371,000. The assets are estimated at \$100,000. The Treasurer states the debt as follows: —

<i>Due.</i>		<i>Due.</i>	
July 1, 1850, at 6 per cent.,	\$10,000.00	Jan. 1, 1873, at 6 per cent.,	\$170,750.00
Jan. 1, 1866, do.	22,222.22	June 1, 1873, do.	41,000.00
July 1, 1862, do.	45,000.00	May 1, 1874, do.	84,500.00
July 1, 1863, do.	25,000.00	May 1, 1874, at 7 per cent.,	183,500.00
July 1, 1868, do.	216,500.00	Sterling bonds at 5 per cent.,	72,000.00
Sept. 1, 1869, do.	301,500.00	Central Bank liability,	271,000.00
June 1, 1870, do.	202,750.00		
July 1, 1871, do.	219,750.00	Aggregate actual debt,	\$1,995,722.22
June 1, 1872, do.	130,250.00		

To the above must be added the sum of \$168,542.18 for 4,200 tons of iron purchased for the State Road by the engineer. This will run up the State debt to \$2,164,264.40.

**NEW ENGLAND MUTUAL LIFE INSURANCE CO.**—At a meeting of the members on the 1st of December, the following were chosen directors for the ensuing year:—Willard Phillips, Charles P. Curtis, Robert G. Shaw, George H. Kuhn, William Perkins, Charles Brown, Marshall P. Wilder, William G. Lambert, Sewell Tappan, Thomas A. Dexter, Nathaniel F. Cunningham, and Charles Hubbard of Chelsea. The number of members has increased, and losses have been paid to the amount of \$38,000, of which the sum of \$36,000 was for the benefit of surviving families, and an addition of \$90,000 has been made to the fund, which has now reached the sum of \$434,000.

**FINANCES OF NEW ORLEANS.**—The *New Orleans Delta*, in an article urging the consolidation of the three municipalities under one city government, says that the finances of the second municipality, the most solvent of the three corporations, are in so deplorable a condition, that nothing less than a tax of two and a half or three per cent. will make a decent show of solvency. The creditors of the municipality have commenced suits against it, and unless speedy measures of relief are taken, the whole of the public property will be in the hands of the sheriff. The chairman of the finance committee admits that, to pay the expenses and meet the liabilities of the coming year, a tax of 4½ per cent. would be necessary.

We are not aware of the causes which have brought about this unfortunate state of things; but we have noticed for some time unfavorable and desponding reports of the business and prospects of New Orleans. The trade of the city has been in some degree diverted by the new lines of communication which have been opened, and other cities are participating in the business of which New Orleans once commanded the monopoly.

**NEW YORK CURRENCY.**—A movement has been for some time on foot, to induce the Attorney-General of New York to proceed against such country banks as have made arrangements with the Metropolitan Bank for the redemption of their notes. This has finally resulted in the issue of the following circular, which has been sent to several of the country banks.

*Attorney-General's Office, November 25, 1851.*

To the President, Directors, &c., of the

Section 9 of the Act entitled "An Act relating to the Redemption of Bank-Notes," passed May 4, 1840, prohibits any bank, banking association, or individual banker, from purchasing, buying in, or taking up, directly or indirectly, their circulating notes, at an amount less than what purports to be due thereon, at any other place, or in any other manner, than is directed in and by this act.

The act authorizes the appointment, in New York or Albany, of a redemption agent, who shall redeem the circulating notes of country banks, at a rate of discount not exceeding one half of one per cent. This appointment must be in writing, and filed in the office of the Comptroller. A bank may be appointed the redemption agent, but no city bank can redeem the circulation of country banks without such appointment.

Complaints having been made to me, duly verified by affidavit, that a large number of the banks of this State, including the bank under your charge, have entered into an arrangement with the Metropolitan Bank of New York, to "purchase," "buy in," and "take up," their own bills at a discount of one eighth of one per cent., I feel bound to call your attention to the subject, and to suggest that in my opinion this mode of redemption is unauthorized, and is in direct violation of the statute of 1840. My duty requires me, in all cases of violation of law by moneyed corporations, to proceed against the offending institution, by information, to annul the charter.

The Metropolitan Bank, not having been duly appointed a redeeming agent for your bank, you will see the propriety of either filing a regular appointment of said bank, as your redeeming agent, or to discontinue redemptions at said bank. If this course is not pursued, I shall be obliged to institute legal proceedings to correct the error.

Respectfully yours, &c.,

L. S. CHATFIELD, *Attorney-General.*

**FREE BANKING IN ILLINOIS.**—The citizens of Illinois are to vote upon a bill somewhat similar to the free banking law of this State, at the election to be held on the 4th of next month. This bill authorizes the auditor of the State, upon persons desiring to establish a bank placing in his hands public stocks of the United States, or State stocks, on which full interest is annually paid, to the amount of fifty thousand dollars or upwards, to deliver to them the same amount of bank-notes for circulation. Illinois State stocks may also be taken as security for the notes, at a valuation of 20 per cent. less than they have been sold at in New York for six months previous, provided that such valuation shall not be more than 50 per cent. on the par value, until the State shall resume the annual payment of the interest in full. In case of the failure of the bank to redeem its circulation in specie, it is made the duty of the Auditor immediately to advertise the stocks deposited, for ten days, in two newspapers printed in New York, and then to sell them at auction there for cash, and with the money obtained to pay all the notes of the bank. — *Goodman's Cincinnati Detector.*

**NEW MINING COMPANIES.**—A rage for California gold companies has commenced in London, and four (the *Agua Fria*, *Nouveau Monde*, *Ave Maria*, and *West Mari-posa*) have been started. In relation to the *Nouveau Monde*, *The London Mercantile Journal* says :—

"A part of the capital has already been raised in France, which has been devoted to the acquirement from Colonel Fremont of leases of territory, seven times more extensive than possessed by any other company, and held for terms of 42 years, which are deposited here in London with the solicitors, and may be seen. The grants are specially exempt from royalty (which is one sixth of the gold raised) during a period of 18 months, or until the profits of the mines shall have reimbursed the company £17,000 of their outlay in machinery and works. Besides the mining grounds the company possess 500 acres of woodland, and a separate lease for 42 years of a tract of land for the erection of works for crushing and amalgamating the ore; which is an important feature of the enterprise, apart from the gold known to exist on the property, as a large income may be realized from working the products of the mine."

**SOUTH AUSTRALIA.**—We have been favored with a file of the *South Australian Gazette* to the 26th of June. The general news is not of much importance. Serious inconvenience was felt in consequence of the high price of bread and flour. A public meeting of the inhabitants of Adelaide had been held, at which a memorial to the Governor was adopted, setting forth that the price of flour had risen, within three weeks, from £17 to £28 per ton, owing, as was alleged, not to a want of a supply for the necessities of the people being in the province, but to an extensive exportation and speculation of the article, and praying that an export duty on corn might be imposed with a view of relieving the necessities of the colonists. The Governor had replied in courteous terms, but had declined to accede to the request of the memorialists. In Adelaide market, on the 25th of June, wheat was 10s. 6d. to 11s. per bushel; flour, £27 to £28 per ton; bread 2d. the 4lb. loaf; oats, 6s. per bushel; barley, 8s.; potatoes, £5 10s. per ton; hay, £6.

The productiveness of the newly-discovered mines of gold in Australia is fully confirmed. In a short time, the receipts in London from this source will become large. Next year they will form an important item in the bullion resources of the Bank of England, and cannot therefore but affect the demand for gold from this country. At any rate, a competition in the supply will be created, and it will be ascertained in which mines, those of California or of Australia, gold can be produced and obtained at the least cost.

The most scientific and economical methods resorted to for obtaining the gold will decide the question.

At present, European mining speculations are confined to California.

**SMALL NOTES.**—*At Common Pleas Chambers, New York City.*—*Before Judge Daly.*—*Habeas Corpus Case.*—*In re Levins D. Towsley.*—On Wednesday last, Towsley was arrested and taken to the Tombs on the complaint of A. S. Van Dusen, who charged Towsley with disorderly conduct at the New York Exchange Bank, which alleged misconduct consisted in presenting dollar-bills of country banks by one at a time, and thereby impeding the business of the bank. On this complaint, Justice Osborne held Towsley to bail in \$300, but as he did not produce satisfactory sureties the Justice increased the amount of bail to \$500, and in default committed Towsley to the Tombs. Yesterday, a writ of *habeas corpus* was got out, and the matter came up to be heard on the evidence of the president of the bank and the Justice who had committed Towsley to the Tombs. After hearing Messrs. Brady and Lawless for the parties, Judge Daly said, "I cannot see how this matter can be regarded as a breach of the peace. The bank may have adopted a certain mode for paying bills, to them, and the defendant, Levins, may have adopted another mode not quite convenient to the bank, but it was not such a mode or manner as should induce persons to strike him, or lead to a breach of the peace. It does not appear there was any violence, either in manner or language, or any attendant circumstances which might go to make up a definition of a breach of the peace. I have no books before me to define a breach of the peace; but I have no hesitation in saying that all the acts, taken together, would not amount to that offence. I see no ground for the original commitment, and, taking the second one to have originated from the first, that is also illegal, and the party must be discharged."—*New York Courier and Enquirer*, November 22.

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**CALIFORNIA COIN.** — In my previous letters, I have stated that the \$50 ingots issued by "Humbert," at Moffat's assay office, would doubtless soon be at a discount. Our bankers now charge two per cent., and give pay in five-franc pieces, counting them as dollars, at which rate they generally pass current in small sums. Small American gold coin is now purchased by our bankers at a premium of one half to one per cent., and the difficulties of procuring any currency of less than \$50 gold pieces, is daily becoming more and more onerous. Adams & Co. charge 1½ premium for three days' sight bills on the Atlantic cities; while our first bankers charge 2 per cent. premium. — *Corres. New York Journal of Commerce, October 14.*

**BANKING IN ALABAMA.** — In my message to the last legislature, I discussed, quite at large, the subject of Banks and a Paper Currency. The views then presented still have my approval, and, without indulging in repetition, I beg to refer to them.

The doubt I then expressed whether the Free Bank System, as it is designated in New York and other States, could be relied on to furnish a currency with us, has settled into an opinion against the maintenance of the system to any great extent in this State. No one has availed himself of the privilege conferred by the act of the last session, "To authorize and regulate the Business of Banking," nor am I advised that any one contemplates doing so.

Our banking capital is altogether insufficient to meet the demands of a healthful and regular business; and the banks now in existence are located in Mobile, where the accommodations they are prepared to afford fall far short of the good paper that is offered. The merchants in the interior are compelled to borrow of individual capitalists or foreign banks, on terms often inconvenient and oppressive; and of course look to their customers to reimburse the extraordinary interest and charges to which they are thus subjected.

It is not within the competency of the legislature to supply at a single session the inconvenience of a deficient local currency, — its powers being restricted by the Constitution to the establishment of a single bank. The inability to furnish a complete remedy for the evil is, however, no reason for the failure to act at all; but should rather quicken our diligence, so that what must be a gradual work may be consummated as speedily as possible.

I therefore recommend to the legislature, as a measure demanded by the interests of the people, to incorporate one stock bank, with a capital not exceeding a half-million of dollars, subject to rules and restrictions similar to those contained in the act "To incorporate the Southern Bank of Alabama." The amount of the capital, of course, will be influenced by the point at which the bank is located, and the location will be induced by a consideration of the wants of the community, and the probable readiness to subscribe for the stock.

I am entirely satisfied that the State should disconnect itself with banks as soon as it can be done without loss, and with a proper regard to what is due to others; and therefore renew the recommendation to provide for the sale of the State stock in the Bank of Mobile on such terms as will discharge the bonds upon which the loan was effected to pay for it, and relieve the State from the demand of the bank for interest paid on the bonds. — *Message of Governor Collier, Nov. 11, 1851.*

**TWO PER CENT. A MONTH.** — We never saw the other ends of some of the wires at Wall Street better designated than in the following passage from an article in the *Herald*, on "Sunday in New York": —

"If, during the week, the stranger should be surprised at the intense activity and insane eagerness to make money which prevail among our business men, let him look at their handsome wives and daughters as they sail out to church in full Sunday apparel, and he will wonder no longer. This vast, uninterrupted stream of \$25 bonnets, \$50 silks, yard-wide ribbons, embroidered shawls, velvet robes, and costly feathers, bespeak an unparalleled extravagance in the families of the industrious and prosperous many, who make up the great body of the population of every large city. The expensive and ostentatious style of this immense class — both in their dress and manner of living — is one of the most striking characteristics of our country and our age. Nowhere else in the world can one tenth of so great a number of expensively (we do not say well) dressed women be seen in the same time or compass, as in Broadway on a fine Sunday morning. When we encountered this brilliant procession, last Sunday, and remembered that money was worth two per cent. a month in Wall Street, we could not help roughly estimating the enormous interest the husbands and the fathers of New York bestow upon their wives and daughters."



**CALIFORNIA MINING COMPANIES IN LONDON.** — The latest quotations of the stock of these companies in the London papers are, — *Agua Fria*,  $\frac{3}{4}$  to 1 premium; *Nouveau Monde*,  $\frac{3}{4}$  to  $\frac{1}{2}$  do.; *Golden Mountain*  $\frac{1}{2}$  to  $\frac{3}{4}$  do.; *Ave Maria* and *Mariposa*,  $\frac{1}{2}$  dis. to par. In relation to these companies, the *London Mercantile Gazette* of November 28 remarks: —

“One million sterling is about the aggregate amount of capital called by the different Californian gold companies. From the excitement which manifested itself at the first formation of these undertakings, it is expected that business will in future be carried on in them on a more regular scale, independently of their being daily quoted in the official list. The settlement in West Mariposa takes place to-day, and the result doubtless is looked forward to with a great deal of interest. Three or four other mines will have settling days appointed as soon as they shall have gone through the usual routine required by the committee. The mines this morning are suffering from severe depression, with the exception of the *Nouveau Monde*, which security has not deviated from the final value recorded at the close of yesterday.

**FOR BANK CLERKS.** — Mr. Stimpson, a teller of the Merchants' Bank, Boston, has invented what is termed the “Fountain Gold Pen,” which is a valuable aid to bank clerks. The pen has the elasticity of the best metallic pen in use, and will enable the writer to make upwards of three thousand figures without a second supply of ink. The fountain pen is provided with a silver case and pencil-point for the pocket, and is altogether the most complete article of the kind now made. The patentee received the medal at the late Lowell Fair, for the pen above mentioned. Sold by Oakes and Darling, agents of Mr. Stimpson, No. 20 State Street, Boston.

## BANK ITEMS.

**MAINE.** — Enoch J. Noyes, Esq. was in October last elected Cashier of the Frontier Bank, Eastport.

**NEW HAMPSHIRE.** — The Cochecho Bank, at Dover, N. H., was chartered in June last with a capital of \$100,000, and went into operation on the 8th of November. President, Thomas Stackpole; Cashier, Ezekiel Hurd.

**VERMONT.** — *The Vermont General Banking Law.* — The *Montpelier Watchman* gives the following synopsis of the leading principles of the Banking Law passed by the Vermont legislature: —

1. Associations for banking may be formed, to consist of not less than ten persons.
2. The State Treasurer is to provide circulating notes to any such association, to an amount not less than \$50,000, nor more than \$250,000, upon receiving a transfer of an equal amount of the public stocks of the United States, or the States of Massachusetts, New York, Maine, Connecticut, Rhode Island, New Hampshire, Vermont, Ohio, New Jersey, or Virginia, — such stocks to be made equal to six per cent. stocks; or upon receiving *half* the amount in such stocks, and the remaining *half* in bonds or mortgages on productive real estate in this State, reckoned at not exceeding two fifths of its value, excluding buildings thereon; which stock or bonds and mortgages are to be held by the Treasurer as security for the redemption of the bank-notes issued by him to such associations for circulation.
3. As additional security, the directors and stockholders of such associations are to give bonds, equal to the amount of notes received for circulation, to make up any deficiency in case the stocks, bonds, and mortgages before provided shall be insufficient.
4. The banking associations are required to redeem their bills at par in the city of Boston.
5. The existing banks, upon the assent of the stockholders, or upon paying off such stockholders as dissent, may come in under this law.

**MASSACHUSETTS.** — Wm. B. Brooks, Esq., has been elected Cashier of the Mattapan Bank, Dorchester, in place of Frederick Beck, Esq., who has resigned for the purpose of embarking in commercial pursuits.

**New Bedford.**—The proprietors of the Merchants' Bank of New Bedford, recently presented to Hon. John Avery Parker, of this city, a magnificent pair of large silver pitchers, upon a rich and massive salver, "as an acknowledgment of his faithful and gratuitous services, for more than a quarter of a century, as President of their institution." These articles are from the manufactory of Messrs. Bigelow, Brothers, and Kennard, of Boston.

We have often seen testimonials of this character, but never have we before looked upon articles of silver plate combining such perfect beauty of form and such wonderful skill in workmanship. The effect of the whole was delightfully attractive. The massive character of the silver, the tall and graceful forms of the pitchers, modelled after the most chaste and perfect specimens of the antique, with their delicate chasing, formed a rare combination of the beautiful, and called forth, in an unusual degree, the admiration of the company.

A nearer view presented features not less attractive. Upon the salver, as a centre-piece, surrounded by an elaborate and tasteful ornament in arabesque, was a whaling scene, the principal features of which were taken from the picture of our fellow-citizen, Benjamin Russell, Esq. The faithfulness and picturesque power of this engraving must be seen to be fully appreciated. On one of the pitchers was a view, strikingly true and beautiful, of the palace-like residence of Mr. Parker, surrounded, like the whaling scene on the salver, with tasteful and appropriate ornaments. On the other, the pillared façade of the bank building, at the foot of William Street, was delineated with equal faithfulness and effect. The armorial ensigns of the Parker family are also engraved upon the pitchers, and upon them both is the following inscription:—

"Presented to the Honorable John Avery Parker, by the Proprietors of the Merchants' Bank of New Bedford, as a grateful acknowledgment of his faithful and gratuitous services for more than a quarter of a century, as President of their institution."

To show that his post of President had not been wholly a sinecure, Mr. Parker stated, in his reply to the speech of Mr. Congdon, on presentation, that, in addition to his other duties, he had signed his name 177,280 times on the bills of the bank. — *New Bedford Mercury*.

**Quincy.**—Josiah Brigham, Esq., has been recently elected President of the Quincy Stone Bank.

**CONNECTICUT.**—We have had exhibited to us two bills—a three and a five—just issued by the Pequonnock Bank, which has gone into operation at Bridgeport, Connecticut. The vignette is a correct drawing of Mr. Barnum's villa at Iranistan; on the right is a medallion of Mr. Barnum himself; and on the left, there is a truthful likeness of Miss Jenny Lind, very finely executed. The filling up is beautifully proportioned; and the character of the letters gives to the bills an original and tasteful appearance. The denomination is printed on a dark and red ground, in the form of a circular die,—the ink used, we are assured, being perfectly indelible. The plate is one of the prettiest in use; and the texture of the paper, besides being of the finest quality, is exceedingly firm. P. T. Barnum, Esq., is President of the institution, and W. R. Higby, Esq., Cashier. The bills are now in the market. — *New York Courier and Enquirer*.

**NEW YORK.**—The Bank of North America at New York have purchased the building 44 Wall Street, now occupied by Jacob Little & Co. One hundred thousand dollars were paid for it, being twenty-five thousand dollars more than it cost Mr. Little two years ago. He made, however, some costly alterations in the building.

**Metropolitan Bank.**—We quote the following from the *Rochester Democrat*, being an extract from a letter addressed to the Attorney-General by one of the Rochester banks doing business with the Metropolitan Bank:—

"SIR,—Your circular of the 25th ultimo is just received; and in reply I have to say this bank has no agent in New York, to 'buy in,' 'purchase,' or 'take up,' directly or indirectly, its circulating notes.

"The Metropolitan Bank receives the notes of this bank from its customers in precisely the same way that it receives the notes of all other banks of this State. We have not given that bank any directions whatever on the subject, and have nothing to do in fixing the rate or terms upon which they receive our own or the notes of any other banks. It is a matter entirely between that bank and its customers."

**The Empire City Bank.** — The Empire City Bank has purchased the Hone Building, corner of Broadway and Great Jones Street, for \$ 50,000 (it is 29 feet front on Broadway, and on Great Jones Street 130 feet), which they will occupy in the spring of 1852. The temporary location for the present will be No. 683 Broadway, corner of Amity Street, where they are now about commencing business.

**Bank of Commerce.** — Henry F. Vaile, Esq., Cashier of the Bank of the Republic, has been chosen Cashier of the Bank of Commerce, New York, in place of Mr. Curtis, who retires for the purpose of becoming a partner in the new banking firm of Beals, Fearing, & Co., in that city.

**New York Country Banks** — It is understood that the following banks are preparing to close their affairs: —

Merchants' Bank of Washington Co., Granville,	Commercial Bank, Lockport,
Merchants' Bank of Ontario Co., Naples,	Adams Bank, Ashford,
Northern Bank of New York, Madrid,	Champlain Bank, Ellenburg,
Oswego County Bank, Meridian,	American Bank, Maysville,
McIntyre Bank, Adirondac,	Cortlandt County Bank, Cincinnati.
Knickerbocker Bank, Genoa,	

The following table will show the names of those banks whose charters will expire during the years 1852-53, the dates of charter, capital, and their present circulation.

Name.	Chartered.	Will expire.	Capital.	Circulation.
Bank of Genesee,	1829, April,	1852, Jan. 1,	\$ 100,000	\$ 150,000
City Bank, New York,	1830, January,	" July 1,	720,000	156,000
Bank of America, New York,	1831, February,	1853, Jan. 1,	2,001,200	164,000
Bank of Geneva,	1829, April,	" " 1,	422,000	314,000
Bank of New York,	1831, January,	" " 1,	1,000,000	432,000
Union Bank, New York,	" February,	" " 1,	1,000,000	346,000
Butchers and Drovers' Bank,	1830, April,	" " 1,	500,000	300,000
Bank of Troy,	1829, April,	" " 1,	440,000	136,000
Catskill Bank,	" " "	" " 1,	125,000	145,000
Farmers' Bank, Troy,	" " "	" " "	278,000	197,000
Mechanics and Farmers', Troy,	" " "	" " "	442,000	215,000
Mohawk Bank,	" " "	" " "	165,000	58,000

For a complete list of the present chartered banks in the State of New York, their capital, expiration of charter, &c., see *Bankers' Magazine*, Vol. V. p. 706.

**ALABAMA.** — A free banking law was passed by the legislature of Alabama last winter. No bank has, however, been organized in that State, under this system.

Only one bank can be formed at one session of the legislature, and the Governor proposes, in his recent message, that a new joint stock bank should be created, with \$ 500,000 capital, or under, on the plan of the Southern Bank of Alabama, which was created by the last legislature.

The State of Alabama owns two fifths of the capital of Mobile, and has issued bonds for \$ 600,000 in payment for the stock. This stock the Governor wishes to be sold.

In that large State, with a population of 800,000, and exporting more largely to foreign countries than Massachusetts, only two banks are at present in operation, — one with a capital of \$ 1,500,000, and the new "Southern Bank of Alabama," with a capital of \$ 500,000.

**KENTUCKY.** — The Newport Safety Fund Bank of Kentucky was chartered in February, 1851, with a capital of \$ 100,000, and privilege to increase the capital to \$ 300,000.

**ILLINOIS.** — We learn that already arrangements are talked of for the establishment of free banks in Illinois under the new law. It is confidently said, the managers of the Great Central Railroad will establish a bank of large capital, — the issues of which will be predicated on Illinois State bonds. We have scarcely any doubt but they will do so, if Mr. Robert J. Walker is successful in the object of his mission to London; and that he will be, we do not doubt. — *St. Louis Intelligencer*.

## Notes on the Money Market.

BOSTON, DECEMBER 26, 1851.

*Exchange on London, 60 days, 110 to 110½.*

THE past month has exhibited no material change in the condition of the money market at New York or Boston. Capital is abundant for loans repayable on demand, with good collaterals; or for strictly prime paper, at 7 to 8 per cent. in New York and 8½ to 10 per cent. in Boston.

The greater accumulation of capital at New York furnishes larger facilities for the negotiation of business paper than are possessed in Boston. We find the prevailing rates are usually one or two per cent. more favorable in New York than with us, for the same description of paper. Large amounts of paper are daily discounted in New York for Boston account, with much advantage to the sellers. This accumulation of capital in that city is largely on foreign account, and is gradually increasing with the growing trade of the metropolis, and in consequence of the actual and prospective political troubles of Europe.

The banks of New York City alone, at their last quarterly exhibit, had on hand \$36,640,000 individual deposits, \$11,000,000 due to other corporations, and a general aggregate of liabilities to the extent of \$60,000,000, in addition to their paid-up capital of \$35,000,000.

In Boston, on the contrary, with a capital of \$23,000,000, the aggregate liabilities, independent of capital, are only \$21,000,000, the individual deposits being only \$7,000,000, or one fifth the amount held in New York. We attribute this difference in some measure to the more liberal law of New York with regard to interest. Their rate is seven per cent.; notwithstanding which law, money is cheaper there generally than with us.

Their banks, too, are not burdened with the oppressive tax which is laid in Massachusetts for the support of the government, amounting to one per cent. on the capital of each institution. The burdens of the State are borne more equally in New York by the various classes of the community; whereas in Massachusetts the owners of bank stock pay four hundred thousand dollars annually into the State treasury, being two thirds of the general revenue of the Commonwealth. This tax operates prejudicially upon the earnings of the industrious and saving, and upon the income of the widow and orphan.

The receipts of gold from California during the present season exceed the sanguine expectations of many, and the accounts from that State induce the belief that the receipts will not diminish. This gives a buoyancy to the money market, which is not seriously affected by the well-known fact that nearly the whole of the receipts are now exported to Europe, in discharge of the indebtedness of the years 1850-51. We rely upon an easier market for the winter, on the following grounds:—1st. Larger receipts from California; 2d. Diminished importations of foreign goods; 3d. A heavy crop of cotton for 1851-52; and, finally, the constant and larger additions to the capital of the country through emigration and the establishment of business houses on foreign account.

1st. The receipts of California gold for the next six months will probably exceed \$5,000,000 per month. The export to Europe from New York and Boston during the present year has been about \$4,000,000 per month, viz.:—

In January, . . . . .	\$1,266,000	In August, . . . . .	\$2,654,000
February, . . . . .	1,007,000	September, . . . . .	3,490,000
March, . . . . .	2,369,000	October, . . . . .	1,780,000
April, . . . . .	3,482,000	November, . . . . .	5,034,000
May, . . . . .	4,506,000	December, . . . . .	4,500,000
June, . . . . .	6,462,000		
July, . . . . .	6,004,000	Total from New York, . . . . .	\$42,564,000
		Total from Boston, . . . . .	3,528,000

The mines of Australia are also open to the world, and already the accession of gold from that quarter attracts much attention in the London market.

2d. The custom-house returns indicate a largely diminished importation of foreign goods, as compared with the summer and fall of the present year. When merchants are compelled to pay one or two per cent. a month for money, to send abroad, they perceive the necessity of restricting their foreign business to such limits as will enable us to pay our foreign debts without parting with all our gold product. The foreign imports into the United States for the late fiscal year are represented to have been \$215,000,000. We think the aggregate for 1851-52 will not exceed this.

The Treasury Report for this year exhibits an aggregate export trade from the United States of \$196,689,000 for the year ending 30th June, 1861, viz.:—

Cotton, . . . . .	\$112,300,000	Flour, wheat, corn, rice, &c. . . . .	\$16,877,000
Cotton goods, yarn, &c. . . . .	7,240,000	Iron, . . . . .	2,255,000
Tobacco, . . . . .	9,220,000	Wearing apparel, . . . . .	1,212,000
Manufactured tobacco and snuff, . . . . .	1,143,000	Gold and silver coin, . . . . .	18,069,000
Oil, fish, &c. . . . .	3,294,000	Miscellaneous, . . . . .	9,832,000
Naval stores, &c. . . . .	7,947,000		
Beef, pork, &c. . . . .	7,400,000	Total for the year, . . . . .	\$196,689,000

The present year's crop of cotton will yield, probably, 2,700,000 bales; of which about 2,000,000 bales will be exported to Europe, at an average value of \$40 per bale. We can, therefore, rely upon foreign credits to the extent of eighty millions of dollars. This will serve to discharge the present cash indebtedness of our merchants and bankers, and also cover, largely, the importations of the next six months.

The cotton statistics for the last three years, up to December 20, are as follows:—

	1861.	1860.	1849.
Receipts since September 1, . . . . .	bales, 649,000	606,000	656,000
Exports from the United States, . . . . .	" 321,000	346,300	288,800
Exports to Great Britain, . . . . .	" 210,400	206,600	158,000
Stock on hand in New York and other U. S. ports, . . . . .	" 276,100	304,700	377,500

The foreign export for the late fiscal year was, according to the custom-house returns, valued at \$112,000,000, and we have no reason to infer that the export for the present year will be less. The imports have now largely diminished, as compared with the nine months ending 30th September last; and we hope the extraordinary foreign balances against this country will now be reduced so low as to place sterling exchange at the specie point.

Among the failures of the month are the following:—Messrs. Hicks and Co., shipping merchants, Messrs. James B. Smith and Co., silk jobbers, New York; Harnden and Co., Walworth and Nason, iron-tube manufacturers, Boston; Hill and McLean, cotton factors, New Orleans.

The late failure of Messrs. Harnden, whose arrangements were extensive for the sale of bills of exchange on Ireland and England, has induced several houses of established and proverbial ability to undertake the sale of sterling bills in sums of one pound or upwards. Among these firms we enumerate Messrs. Blake, Ward, and Co., Boston; Messrs. Grinnell, Minturn, and Co., and Messrs. Duncan, Sherman, and Co., of New York. A reciprocal system has been adopted by the London correspondents of the latter house, by which small drafts are issued to emigrants to this country, negotiable at almost every prominent place in the Union.

The leading stock movements of the month have been,—1st. The sale of Vermont Central mortgage bonds to the amount of \$2,000,000 bearing seven per cent. interest. The lowest bid accepted was 85 per cent. It is understood that this arrangement will enable them to resume payment soon after the second instalment is due, which will be early in January, and that it is probable that, in the settlement of the first and second instalments of their bonds, nearly all their overdue paper will be absorbed. The stockholders of Vermont and Canada hold a meeting on the 30th instant, to provide for the payment of their floating debt, by an issue of stock to an amount sufficient to meet their liabilities, and they will be able to resume payment, it is believed, soon after the Central.

2d. The bonds of the Cleveland, Painesville, and Ashtabula Railroad Company, bearing seven per cent. interest, to the amount of \$200,000. The average price obtained was 85½.

3d. The sale of \$500,000 New York Canal Certificates. Bids were opened on the 23d instant, and the whole was taken at 100.25 to 102.63 per cent. \$1,000,000 of the same loan was taken in August last at a fraction above par, as reported in our September No. The recent price of this loan was 104 a 106.

Money is scarce in the Western Cities. In Cincinnati during the month, exchange on New York has been sold as low as ½ per cent. discount.

The latest advices from London state that on the 6th instant the British funds were very sensibly affected by the sudden and astonishing crisis in French affairs, which came to light on the 2d instant. Consols and railway shares experienced a heavy fall. Consols receded 2½ per cent. Railway shares in some instances much more, English shares falling more than French. Sardinian stock fell no less than five per cent.

On the 3d, news of the Paris Bourse of the last evening restored firmness to the London market, and Consols returned to within one per cent. of previous quotations. Foreign and railway stocks rallied in proportion. The closing values of the leading stocks on the 6th instant were as follows:—Consols for money and account, 96½ a 96½; three per cent. reduced, 96½ a 96½; new three and a quarter per cents, 96½; bank stock, 214½.

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THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

VOL. I. NEW SERIES. FEBRUARY, 1852. No. VIII.

THE BANK OF FRANCE.

From the London Economist, September, 1850.

THE history of the Bank of France for the last three years presents us with some facts of the deepest interest, in connection with the laws which regulate a sound currency. Our readers are aware that in March, 1848, less than a month after the revolution of February, the notes of the Bank of France were declared a legal tender, and were no longer convertible into coin at the will of the holder. This law remained in force until the 6th of August, 1850, when, on the motion of M. Gouin, the National Assembly repealed it, and imposed upon the bank the resumption of cash payments. For a space of nearly two years and a half, the notes of the Bank of France were inconvertible; and it is naturally regarded as a very singular and unlooked-for fact, that notwithstanding the severe consequences of the revolution on the commerce and trade of the country, the prostration of private credit, and the deplorable derangement of the national finances, the Bank of France has stood through the storm in a condition of perfect security, and enjoyed a degree of credit equal to what it had at any former period whatever. The specie in her vaults has been steadily and rapidly increasing; and her notes, notwithstanding their inconvertibility, have never, except for a very short period, and to a very small extent, suffered depreciation. For a few weeks, immediately after the law of March, 1848, was passed, the issues of the Bank of France being then confined to notes of the denomination of 500 francs (£20) and upwards, some inconvenience was experienced in obtaining coin for small payments, and

VOL. I.

50

a small premium, equal at the highest to 2½ per cent., was paid for changing notes of a high denomination. This was, however, chiefly confined to Paris, and lasted only a few months.

But as there were other changes which took place in the laws regulating the issues of the Bank of France about the same period, which, it will be seen hereafter, have had a very important effect upon the events of the period in question, it will be convenient that we should, in the first place, clearly state what those changes have been. The first change in the law was made on the 10th of June, 1847, to meet the severity of the monetary crisis which at that time prevailed throughout Europe. The following are the changes of the law, and the order in which they were made:—

1. A law was passed on the 10th of June, 1847, empowering the Bank of France to issue notes of the denomination of 200 f. (£ 8),—the lowest denomination before being 500 f. (£ 20). The first emission of 200 f. notes took place on the 28th of October, 1847.

2. A decree was issued on the 15th of March, 1848, authorizing the Bank of France to issue notes of the denomination of 100 f. (£ 4). The first emission of these notes took place on the 28th of the same month.

3. On the same day (March 15, 1848) a decree was issued declaring the notes of the Bank of France a legal tender, and “dispensing with the obligation of paying in specie,” and limiting the emission to 350,000,000 f. (£ 14,000,000).

4. Two decrees, of the 27th of April and the 2d of May, 1848, respectively, provided for an amalgamation of the Bank of France with the Public Banks in the departments, and raised the limit of the circulation from 350,000,000 f. (£ 14,000,000), as fixed by the law of the 15th of March for the Bank of France alone, to 452,000,000 f. (£ 18,080,000), including the branch banks.

5. A law was passed on the 22d of December, 1849, raising this maximum to 525,000,000 f. (£ 22,000,000).

6. And, lastly a law was passed on the 6th of August, 1850, obliging the Bank of France to resume cash payments.

These laws, it will be observed, have relation to three distinct things.

1. They relate to the denomination of the notes which it was legal for the bank to issue. 2. They relate to the convertibility of the notes into specie at the will of the holder. 3. They relate to a maximum limit of the circulation. We propose to confine our attention in the first place to the first of these subjects, with regard to which there are many points of interest worthy of most attentive consideration, independent of the important connection which we shall hereafter show subsisted between it and the other two subjects referred to.

We need hardly recall to our readers the intensity of the crisis of 1847. From January in that year the bullion in the Banks of England and France rapidly diminished, until in April it was reduced in the former to £ 9,337,000, and in the latter to £ 4,200,000, and with every indication that the crisis had not reached the highest point. At that time the Bank of France was limited by law to the issue of notes of 500 f. (£ 20) and upwards. On the 8th of May, 1848, we published an elab-

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orate article on "The Present Crisis, its Character and Remedy," in which we took a review of the existing regulations in connection with the currency of the chief countries of Europe. In connection with the present interesting inquiry, and the facts which the experience of the last three years has brought to light, we cannot do better than quote what we then said in relation to the currency of France:—

In France the currency is of a mixed character, and the capital of the country is economized, not only by the use of the deposits in the banks, but also by a portion of the circulation being in paper. We will leave out of consideration the local and private banks, and glance only at the Bank of France as the most important establishment. The business of the Bank of France is, in effect, precisely similar to that of the Bank of England; it is a bank of deposit and of issue, combined in one, as the Bank of England was in form prior to the bill of 1844, and is in reality still. The Bank of France, like the Bank of England, has a capital of its own, receives deposits from its customers, issues notes payable on demand, and advances its funds on public securities and in the discount of bills; and it is thus enabled, while it affords great facilities to the commerce of the country by these advances of capital, to pay a good dividend to its proprietors without any charge to its customers. On the 18th of last month, the accounts of the Bank of France stood thus, converted into sterling money:—

LIABILITIES.		ASSETS.	
Circulation of notes, . . . .	£ 10,880,000	Bills under discount, &c., . . .	£ 9,400,000
Deposits, . . . . .	2,720,000	Bullion or coin, . . . . .	4,200,000
<b>Total liabilities, . . . . .</b>	<b>£ 13,600,000</b>	<b>Total assets, . . . . .</b>	<b>13,600,000</b>

The notes of the Bank of France are payable on demand, and so, being convertible into silver at the pleasure of the holder, perform equally well all the uses which coin would perform. So that, compared with the system used by the Bank of Hamburg, the Bank of France, between its deposits and its issues, supplies capital which would otherwise be in a great measure useless, to the extent of £ 9,400,000. And in order to secure to the public the payment of their deposits and the notes in circulation, a reserve of £ 4,200,000 in bullion remains in the vaults of the bank.

As the Bank of France issues no notes below the value of *five hundred francs*, or £ 20, the currency of the country cannot by this means be economized to any greater extent than notes of that and higher denominations can be used. The whole of the remainder of the currency is performed in silver. The economy, therefore, practised by the Bank of France, though affording many millions of capital to the public (which would otherwise be locked up unproductively) in performing the functions of a circulating medium, is extremely imperfect. In notes of £ 20 each, it circulates to £ 9,400,000; against which it holds bullion, say, to the amount of £ 3,200,000; the remaining £ 1,000,000 of its bullion being supposed to be held in reserve against the deposits. By this means, therefore, the capital of France is thus economized or augmented by

The amount of circulation of notes, . . . . .	£ 10,880,000
Deduct the bullion held in reserve to secure the convertibility of the notes, . . . .	3,200,000
<b>Total, . . . . .</b>	<b>£ 7,680,000</b>

Thus £ 7,680,000 of additional capital is obtained by France, just as much as if that quantity of silver were dug from a mine in one of her provinces. But still the extent to which this economy is carried is extremely imperfect. Let us compare it with the Bank of England, and see how much more capital France would really economize, and render available for all her purposes, if the Bank of France carried the principle to the same extent as is done by the Bank of England. The Bank of England issues notes of the denomination of £ 5 and upwards. On a recent day the whole circulation of the Bank of England was thus composed:—

Notes of £ 5, . . . . .	£ 6,100,000	Notes of £ 200 to £ 1,000, both inclusive, . . . . .	£ 4,300,000
Notes of £ 10, . . . . .	3,900,000	<b>Total, . . . . .</b>	<b>£ 20,000,000</b>
Notes of £ 20 to £ 100, both inclusive, . . . . .	5,700,000		



So that the notes under £ 20 were exactly £ 10,000,000, and the notes of £ 20 and upwards were also £ 10,000,000. Supposing, therefore, that the Bank of France were to extend their issue to notes of the same denominations as the Bank of England does, and that the amount of the smaller notes would bear the same proportion to those of £ 20 and upwards in France as in England, then the circulation of the Bank of France would be increased by £ 10,880,000 in addition to its present amount. But this additional circulation of notes would not increase the circulating medium of France by one franc, but would only displace so much silver, and liberate it from the unproductive purposes of a circulating medium, and give it to the country as an increased amount of capital for foreign payments or any other objects. In issuing this additional quantity of notes, the bank would, of course, be obliged proportionably to increase its reserve of bullion, to secure their convertibility at all times. The mode would be thus. The bank would issue, in payment of its deposits, in advances upon securities, and in exchange for bullion, the notes in question, to the extent of £ 10,880,000; as the bullion increased in its vaults, it would extend its accommodation to the public by additional discounts of bills, or it would increase the amount of its interest-bearing securities, retaining always a sufficient additional proportion of bullion to secure the convertibility of its notes. At the conclusion of the operation, the accounts of the Bank of France would stand thus, supposing the deposits to remain the same:—

LIABILITIES.		ASSETS.	
Circulation, . . . . .	£ 21,760,000	Securities, . . . . .	£ 17,080,000
Deposits, . . . . .	2,720,000	Bullion and coin held against the circulation, . . . . .	6,400,000
		Do. against the deposits, . . . . .	1,000,000
Total liabilities, . . . . .	£ 24,480,000	Total assets, . . . . .	£ 24,480,000

So that such a change would accomplish an economy of capital, thus:—

Circulation of notes, . . . . .	£ 21,760,000
Deduct bullion held as a reserve to secure their convertibility, . . . . .	6,400,000
Total, . . . . .	£ 15,360,000

Thus, besides absolutely adding to the capital of the country, after retaining a corresponding increased reserve of coin, the sum of £ 7,680,000, this step would save the country the great expense caused by the wear of the coin, and the enormous inconvenience which attends a circulation of *five-franc* pieces carried about in bags.

A month after the date of this article, on the 10th of June, the law was passed permitting the Bank of France to issue notes of 200 f. (£ 8), and on the 15th of the following March, another law permitted the issue of notes of the denomination of 100 f. (£ 4); at the same time the Bank of France was relieved of the obligation of paying in specie. The principles urged in our article of the 8th of May, 1847, had reference only to a circulation convertible into specie at the will of the holder, and the maintenance of a sufficient reserve of bullion to secure such convertibility, from which a departure is at all times most dangerous; for though, as we have frequently explained, depreciation does not necessarily follow from the absence of convertibility, yet it is the only check which can safely be relied upon in order to avoid it. Owing to the very able management of the Bank of France, and other causes to which we shall refer when we come to treat of that branch of the subject, the depreciation of the notes, although inconvertible, has been avoided. Paper and specie have maintained an equal value. We are, therefore, justified in concluding, that the actual course of the circulation and the specie held by the bank would have been the same, had the law of March, 1848, suspending cash payments, not passed. As it is, it

has been a dead letter. And therefore, in considering the effect of the laws of June, 1847, and March, 1848, permitting the bank to issue notes of a lower denomination, upon the circulation of the bank, and the economy of capital in the form of bullion, we may treat it as if our condition of convertibility had really existed.

Let us, then, examine how far the consequences of such a measure, anticipated in our article of the 8th of May, 1847, have been realized. On the 6th of April, 1848, the circulation and bullion in the Bank of France were as follows:—

	<i>Circulation. Francs.</i>	<i>Bullion. Francs.</i>
Paris, . . . . .	265,600,000	53,430,000
Branches, . . . . .	15,120,000	43,400,000
Total, . . . . .	300,720,000	96,830,000
Or, . . . . .	£ 12,028,800	£ 3,873,200

We would now call special attention to the progress of the circulation from the 15th of March to the present time. The following table exhibits the amount of notes in circulation on that day, and on the 2d of each month following, and distinguishes the amount of notes of each of the new denominations from those of the old denominations prior to the law of June, 1847:—

*Circulation of the Bank of France and its Branches, from March 15, 1848, to September 2, 1850; showing the Proportion of Notes of the value of 100 f. (£ 4), 200 f. (£ 8), and 500 f. (£ 20), and upwards.*

- I. Total Circulation of Paris and Branches, in Francs.
- II. Notes of 100 f. (£ 4), under the law of March 15, 1848. Francs.
- III. Notes of 200 f. (£ 8), under the law of June 10, 1847. Francs.
- IV. Other notes of 500 f. (£ 20) and upwards.

<i>Dates.</i>	<i>Total.</i>	<i>100 Francs.</i>	<i>200 Francs.</i>	<i>500 Francs, &amp;c.</i>
1848, March 15, . . . . .	273,000,000	. . . . .	7,000,000	266,000,000
" April 2, . . . . .	295,000,000	2,000,000	11,000,000	282,000,000
" May 2, . . . . .	311,000,000	30,000,000	16,000,000	265,000,000
" June 2, . . . . .	298,000,000	41,000,000	30,000,000	337,000,000
" July 2, . . . . .	420,000,000	50,000,000	26,000,000	344,000,000
" August 2, . . . . .	422,000,000	68,000,000	38,000,000	336,000,000
" Sept. 2, . . . . .	430,000,000	61,000,000	30,000,000	339,000,000
" Oct. 2, . . . . .	441,000,000	65,000,000	35,000,000	341,000,000
" Nov. 2, . . . . .	482,000,000	68,000,000	41,000,000	373,000,000
" Dec. 2, . . . . .	482,000,000	70,000,000	50,000,000	362,000,000
1849, Jan. 2, . . . . .	431,000,000	71,000,000	55,000,000	305,000,000
" Feb. 2, . . . . .	426,000,000	72,000,000	55,000,000	299,000,000
" March 2, . . . . .	419,000,000	70,000,000	50,000,000	299,000,000
" April 2, . . . . .	440,000,000	52,000,000	53,000,000	330,000,000
" May 2, . . . . .	416,000,000	48,000,000	42,000,000	326,000,000
" June 2, . . . . .	400,000,000	44,000,000	40,000,000	316,000,000
" July 2, . . . . .	403,000,000	42,000,000	41,000,000	320,000,000
" August 2, . . . . .	414,000,000	45,000,000	42,000,000	327,000,000
" Sept. 2, . . . . .	412,000,000	45,000,000	43,000,000	325,000,000
" Oct. 2, . . . . .	432,000,000	45,000,000	43,000,000	332,000,000
" Nov. 2, . . . . .	441,000,000	46,000,000	43,000,000	347,000,000
" Dec. 2, . . . . .	440,000,000	44,000,000	44,000,000	352,000,000
1850, Jan. 2, . . . . .	449,000,000	43,000,000	42,000,000	364,000,000

<i>Dates.</i>	<i>Total.</i>	<i>100 Francs.</i>	<i>200 Francs.</i>	<i>500 Francs, &amp;c.</i>
1860, Feb. 2, . . . . .	467,000,000	44,000,000	44,000,000	379,000,000
" March 2, . . . . .	488,000,000	45,000,000	46,000,000	377,000,000
" April 2, . . . . .	483,000,000	47,000,000	50,000,000	386,000,000
" May 2, . . . . .	486,000,000	48,000,000	51,000,000	389,000,000
" June 2, . . . . .	481,000,000	46,000,000	52,000,000	383,000,000
" July 2, . . . . .	498,000,000	47,000,000	55,000,000	396,000,000
" August 2, . . . . .	510,000,000	48,000,000	55,000,000	407,000,000
" Sept. 2, . . . . .	496,000,000	52,000,000	52,000,000	392,000,000

This table is extremely instructive. But in examining the results, it is necessary that we should first bear in mind the fact, that in May, 1848, the law was passed amalgamating the Bank of France in Paris and the banks in the provinces, and that while, in the above return, the first three lines, 15th March, 2d April, and 2d May, refer only to the Bank of France in Paris, the remainder of the dates include the circulation of the new branches, which add 100,000,000 f. to the circulation. Making allowance for this difference, the circulation of the 2d of April would have been 395,000,000 f. (£ 15,800,000), including the branches. On the 2d instant, the circulation, also including the branches, was 496,000,000 f. (£ 19,840,000), showing an increase of 101,000,000 f. (£ 4,040,000). But it will be observed that nearly the whole of this increase consists of notes of the two newer and lower denomination of notes. At the former date, April 2, 1848, they had only recently been adopted, and only the amount of 13,000,000 f. (£ 520,000) had then been issued; at the latter date there were in circulation, —

	<i>Francs.</i>	<i>£</i>
Of 100 f. notes, . . . . .	52,000,000	2,080,000
200 f. " . . . . .	52,000,000	2,080,000
Total, . . . . .	104,000,000	4,160,000

So that of the entire increase of 101,000,000 f. (£ 4,040,000), no less than 91,000,000 f. (£ 3,640,000) consisted of the two new and lower denomination of notes; while the old and high denomination of notes continued almost stationary during the whole period; the amount on the 2d of April, 1848, including 100,000,000 f. for the branches not then joined to the Bank of France, was 382,000,000 f., and on the 2d instant, 392,000,000 f. The exact comparison of the two periods may be thus stated: —

*Circulation of the Bank of France.*

	<i>April 2, 1848.</i>		<i>Sept. 2, 1850.</i>	
	<i>Francs.</i>	<i>£.</i>	<i>Francs.</i>	<i>£.</i>
Notes of 100 f. and 200 f., . . . . .	13,000,000 =	520,000	104,000,000 =	4,160,000
Notes of 500 f. and upwards, — Paris, 382,000,000 }	15,280,000		392,000,000 = 15,680,000	
Do. Branches, . . . . .				
Total, . . . . .	395,000,000 =	15,800,000	496,000,000 =	19,840,000

The fact is therefore established, that practically the whole of the large increase of the circulation of the Bank of France, during the last two years and a half, has arisen from the issue of notes of a lower denomination. There is no reason for thinking that the issue of the larger notes would have been different from the results given above, had the

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law remained unaltered. The purposes for which notes of large denominations (of £ 20 and upwards) are usually required, are limited, and they cannot be used for the ordinary purposes of currency, in the daily small transactions of trade. But the issue of notes of the lower denominations of £ 4 and £ 8, introduced them to purposes for which before coin alone could be used. Well, but every 100 f. note that has issued economized the use of 100 f. of silver coin; and as we find that before the expiration of one year, say on the 2d of February, 1849, the issue of 100 f. and 200 f. notes rose to no less than 127,000,000 f. (£ 5,080,000), and without any depreciation in their intrinsic value, although inconvertible, it shows that coin to that amount had been displaced from circulation, and that in reality so much capital had been economized to France as a country,—to the benefit of the Bank of France, no doubt, in the first place, which profited by the increased circulation, but ultimately to the whole of France, whose effective capital was thus much increased by the change.

The first effect of this economy of the currency is no doubt to increase the specie in the hands of the bank, received in exchange for the notes issued, directly or indirectly, and, by thus placing at the command of the bank a larger amount of disposable capital, the next effect is to reduce the rate of interest, and thus to increase the facilities for trade and commerce. Now let us see how far this consequence was experienced from the issue of these lower denominations of notes. On the 6th of April, 1848, the bullion held by the Bank of France in Paris and the branches was 96,830,000 f. (£ 3,873,200); on the 26th of October in the same year it had increased to 231,060,000 f. (£ 9,242,400), during which period the circulation of the new denomination of notes increased to 112,000,000 f., or £ 4,480,000, without leading to any reduction of the circulation of the old denomination of notes, and therefore displacing and economizing so much silver coin.

It was a matter of extreme surprise during 1848, that the bullion in the bank should increase so rapidly, considering the many reasons then in operation likely to produce a contrary effect. During the period to which we have referred, from April to October, 1848, great discredit prevailed throughout France and the Continent generally, and remittances were made in every conceivable shape to this country for investment, so that for a long period the exchanges were much in our favor; and there can be no doubt that a considerable drain of capital took place from France during the period in question. Nevertheless, the economy effected in the circulation, by the substitution of notes for coin, enabled France to sustain that drain without any inconvenience, and the bank to increase its bullion by upwards of £ 4,000,000.

It may perhaps be contended that the inconvertibility of the notes protected the Bank of France from a drain. There is no ground whatever for such a supposition. Had there been a greater demand for specie for export than could be supplied, it would have shown itself by a depreciation in the value of notes, but which did not take place. And in such a case, although the bank, by being released from the obligation of cash payments, might have forcibly retained the bullion she held, yet had there been a demand for export greater than could be supplied, it is

clear the bank could not have increased its amount of bullion. We come, therefore, to the conclusion, that the result would have been the same had the bank continued to pay in specie throughout the whole period. It is then difficult to estimate the advantages which France has derived from the introduction of these new denominations of notes, by which she was enabled thus to economize her coin, and to increase her effective capital to so large an amount at so critical a crisis.

COINAGE IN FRANCE.—The following account of the coinage of gold at the Mint of France for the respective years shows very remarkable results:—

	£.		£.
1846, . . . . . value	83,466	1849, . . . . . value	1,054,330
1847, . . . . . "	308,240	1850, . . . . . "	3,407,092
1848, . . . . . "	1,587,908	1851 (ten months) . . . . . "	10,183,328

Or at the rate of over £12,000,000 for the year. Thus we see that France has absorbed gold to the amount of £12,000,000 sterling during the present year; and if to this amount we add what has been used in a similar way in the United States, we shall be furnished with an answer to the question, What has become of the extraordinary supply of gold during the last two years? The *Economist* says that the £12,000,000 of gold coined in France has displaced an equal amount of silver from the circulation. We do not think this is by any means certain. Has it not rather displaced a considerable quantity of bank-notes? The circulation of paper in France on the first and last of the year might easily be ascertained, and would settle the question. As respects the United States, we suppose your statisticians will inform themselves of the amount of gold which has been coined in 1851, and the amount of circulation on the 1st of January, 1851, and 1st of January, 1852; we should like to be informed also. — *London Correspondent of the National Intelligencer, December, 1851.*

THE BANK OF FRANCE.—A continuous decline in the bullion of the Bank of France is beginning to attract attention. During the past four weeks the diminution has been equal to an aggregate of £800,000. It is attributed solely to the influence of political distrust, which has caused extensive hoarding, especially in the provinces, the facilities for that practice being greatly increased by the power, which has existed only during the past year or two, of obtaining gold without paying a premium for it.

The accounts from Vienna show a further severe aggravation of the condition of the money market, a rise in the rate of exchange having again taken place to the extent of 2½ per cent. The government, it appears, are now purchasers of bills to cover the drafts in London, which they caused to be sold in order to produce a sudden appearance of improvement at the time when they brought forward the recent loan. A hope is said to be entertained that one effect of the further adverse movement may be to induce foreign purchases of that loan; since, although its price remains nominally the same, its cost is of course reduced in proportion to the increased sum obtainable for the bills which in such circumstances would be sold against it. The state of affairs in Paris, however, apart from all other circumstances, is likely to operate effectually against such a result. — *London Times, November 10.*

THE BANK OF FRANCE.—The Bank of France returns for the week ending Thursday the 18th of December, show the following results (25 francs for £1):—

Bullion, . . . . .	£ 22,503,341	Private deposits, . . . . .	£ 5,561,106
Bullion on deposit, . . . . .	193,845	Bills discounted, . . . . .	5,006,073
Circulation, . . . . .	23,155,920	Government securities, . . . . .	8,501,441
Public deposits, . . . . .	2,808,908		

By the further decline in the bullion above noted, the stock is reduced to twenty-two millions and a half, — still a very high figure. The falling off is mainly in the departments. The continuous increase in the amount of gold deposited with the bank is another feature worthy of attention. The increase in the government securities is apparently caused by the sum of 10,000,000 f. having been advanced to the city of Paris on the provisional loan of 20,000,000 f.

## FLUCTUATIONS OF THE ENGLISH FUNDS IN 1851.

Table showing the Highest and Lowest Prices of the Principal Public Funds during each Month, from November, 1850, to October, 1851.

Months.	Bank Stock.	3 per ct. reduced.	3 per ct. Consols.	3 per ct. Annuities, 1798.	New 3½ per ct.	New 5 per ct.	Long An- nuities, 80 Years, 1860.	Long An- nuities, 80 Years, 1869.	Long An- nuities, 80 Years, 1880.	India Stock.	South Sea Stock.	Eschequer Bills. £1,000, at 1½d.	7½. per.
1850. November, . . .	{ 214½	96½	97½	97½	98½	134	7½	7½	8½	271	107½	107½	67
" December, . . .	{ 214	96½	97½	97½	98½	134½	7½	7½	8½	271	108½	108½	68
1851. January, . . .	{ 213	96½	97½	97½	98½	...	7½	7½	...	268	108	108	61
" February, . . .	{ 215½	97½	98½	98½	99½	...	7½	7½	7½	268	107½	107½	62
" March, . . .	{ 214½	97½	98½	98½	99½	123	7½	7½	7½	268	108½	108½	56
" April, . . .	{ 210½	96½	97½	97½	98½	...	7½	7½	7½	267	107½	107½	61
" May, . . .	{ 211½	97½	98½	98½	99½	...	7½	7½	7½	268	108½	108½	47
" June, . . .	{ 215½	97½	98½	98½	99½	...	7½	7½	7½	264½	107½	107½	58
" July, . . .	{ 216½	97½	98½	98½	99½	124½	7½	7½	7½	261	107½	107½	53
" August, . . .	{ 213½	96½	97½	97½	98½	124	7½	7½	7½	261	107½	107½	50
" September, . . .	{ 216½	97½	98½	98½	99½	...	7½	7½	7½	269	108½	108½	38
" October, . . .	{ 214½	97½	98½	98½	99½	...	7½	7½	7½	262	107½	107½	50
	{ 211½	96	97½	97½	98½	...	7½	7½	7½	260	107½	107½	41
	{ 211½	96	97½	97½	98½	...	7½	7½	7½	263½	107½	107½	54
	{ 214	96½	97½	97½	98½	...	7½	7½	7½	261½	108½	108½	49
	{ 216½	97½	98½	98½	99½	...	7½	7½	7½	263	107½	107½	50
	{ 214	96½	97½	97½	98½	...	7½	7½	7½	260½	107½	107½	44
	{ 216½	97½	98½	98½	99½	...	7½	7½	7½	262	107½	107½	48
	{ 214	96½	97½	97½	98½	...	7½	7½	7½	260	108½	108½	43
	{ 214½	97½	98½	98½	99½	124½	7	6½	7½	263	108½	108½	57
	{ 211½	96	97½	97½	98½	...	6½	6½	7½	260	107½	107½	43

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FLUCTUATIONS OF THE PUBLIC FUNDS IN THE YEAR 1851.

The following Table furnishes the Prices of the prominent Stocks of the New York Market at (or near) the close of each Month of the Year 1851.

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
United States Sixes, 1867, . . . . .	115	115½	116	117½	119½	116½	114½	114½	115½	116½	116	116½
United States Fives, 1863, . . . . .	103	103	102½	103½	103½	101½	101	101	100	101½	102	101
Ohio Sixes, 1860, . . . . .	109½	108½	*107	108½	110½	108	108½	109½	107	108	110	111
Pennsylvania Fives, . . . . .	98	96½	93½	93	94½	96	90½	90½	91	91	*90	90½
Kentucky Sixes, . . . . .	105	105	105	106½	108½	109	106½	105	105½	104½	108½	107½
Indiana Fives, . . . . .	84½	85	84	85	84½	85½	83½	79	78	83	85	85
Erle Railroad Sevens, 1868, . . . . .	110	109½	108½	108½	108	106½	108	107½	108½	109	107½	109
Erle Railroad Sevens, 1869, . . . . .	103½	105	100½	102½	102	102½	100½	100	96½	99½	101½	102½
Erle Income Bonds, . . . . .	98	92½	92½	95½	97	97	95	92½	89½	94	94½	93½
Erle Convertible Bonds, . . . . .	...	...	90½	96	96½	96½	95½	90½	86	91½	92½	90½
Hudson River Sevens, . . . . .	104½	104	102½	105	...	106½	103½	100	100	101½	104½	104½
Ocean Bank, . . . . .	107	106	105	106	109	110	103	98	98	100	108	104½
Mechanics' Bank, . . . . .	125½	135	121	128½	*122	120	*120	118½	117	117	117½	*119
Bank of Commerce, . . . . .	109½	107½	105	107½	110	110½	108½	104½	102½	106½	108	104½
Bank of America, . . . . .	114	110	108½	113	114	109½	109	107	106	*107	*110	*106
Bank of the State of New York, . . . . .	110½	107	106½	107½	106½	106	*106	101	101	107	104½	102
Delaware and Hudson Canal Company, . . . . .	134	133	137½	137½	124	118½	113	110	107½	104½	104	100
Canton Company, . . . . .	82	83½	83½	86	79	73	60½	63	63½	66½	68½	66½
Farmers' Trust Company, . . . . .	62½	67½	64	66	70½	69	64½	67	63½	*68	70	71
Morris Canal Company, . . . . .	19½	17½	18½	16½	16½	16	15½	14½	12½	14½	14½	13½
Long Island Railroad, . . . . .	21½	23½	22½	21½	22½	18½	15	14½	13	16	15½	15½
Harlem Railroad, . . . . .	66	69	68½	73½	75½	74½	68½	69½	64½	68	67½	67½
Erle Railroad, . . . . .	84½	80½	80½	88½	86½	84	76½	77	73½	84	88½	79½
Norwich and Worcester Railroad, . . . . .	63½	64½	62½	64½	64½	60½	53½	52½	45	57½	55½	52½
Reading Railroad, . . . . .	59½	60½	54	57½	59	57½	53	55½	52½	55½	58½	59½
New York and New Haven Railroad, . . . . .	116½	114½	114½	117	115	115	112	107½	104½	109½	108½	109½
Hudson River Railroad, . . . . .	84	82	80½	82½	80	76	75	70½	*90	75	69½	66
Albany and Schenectady Railroad, . . . . .	95	*93	92½	96½	97	*97	92	90	*90	95	96	97
Utica and Schenectady Railroad, . . . . .	124	126	126	126	126	128	*126	127½	127½	*127	*129	129½
Rochester and Syracuse Railroad, . . . . .	114½	112	107	110	114½	114½	105	105½	104	109½	110½	112
Stonington Railroad, . . . . .	46	43	43½	43½	42½	45½	41½	43½	42	50	51½	49

\* Offered.

† Asked.

# EXCHANGE BETWEEN ENGLAND AND THE UNITED STATES.

TABLE SHOWING THE RATE OF EXCHANGE ON ENGLAND AT NEW YORK, FOR FIRST PACKET OF EACH MONTH, FROM JAN. 1822, TO DEC. 1850.

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
1822.	.12½	.14	.13	.13	.12½	.8	.10	.10	.11	.12½	.13	.12½
1823.	.12½	.11	.11	.8½	.4	.5½	.5½	.7½	.6½	.7	.7½	.7½
1824.	.7½	.7½	.8½	.9	.8½	.10	.9	.8½	.9½	.10	.9½	.9½
1825.	.9½	.10	.9½	.9½	.8	.5	.5½	.5	.7½	.10½	.9½	.9
1826.	.8½	.8	.8	.7½	.10	.9½	.10½	.10	.11	.12½	.11½	.12½
1827.	.11½	.10	.10	.10½	.10½	.11	.10	.10	.11	.11	.11½	.11½
1828.	.11	.10½	.11½	.11	.10½	.11	.10½	.9½	.10½	.11½	.11	.9½
1829.	.8½	.8	.8½	.8½	.9½	.9	.8½	.9½	.9½	.9½	.9½	.9½
1830.	.9½	.8½	.8½	.8	.7	.7	.6	.6½	.6½	.6	.7	.6½
1831.	.6½	.6½	.6½	.7	.9½	.7½	.10	.10	.10½	.10½	.10½	.10
1832.	.10	.9½	.9½	.9½	.10½	.9½	.9½	.7	.8½	.8	.8	.8½
1833.	.8	.8	.8	.8	.8½	.8½	.8½	.8	.8½	.7½	.7½	.5½
1834.	.2	.99	.99½	.1	.3½	.2	.2½	.5	.6½	.7½	.7	.6
1835.	.7	.7½	.7½	.8½	.8½	.9½	.9½	.9½	.9	.9½	.9½	.9½
1836.	.8½	.10	.9½	.7½	.7	.7	.7½	.7½	.7½	.8½	.8½	.9½
1837.	.7½	.9½	.8½	.11½	.11	.13	.18	.19½	.21	.14	.16	.14
1838.	.9½	.9	.7½	.4½	.5	.6½	.8½	.7½	.9½	.9½	.9½	.10
1839.	.9½	.9	.8½	.9½	.8½	.9½	.9½	.9½	.9	.10	.9	.9
1840.	.8	.8½	.8	.7½	.8	.7½	.7	.7	.7	.8½	.8½	.8½
1841.	.8½	.8	.8	.7	.7½	.8½	.8½	.8½	.9	.9½	.10	.9½
1842.	.8½	.8½	.8½	.6½	.7½	.8	.7½	.6½	.7½	.8½	.6½	.6½
1843.	.5½	.5½	.6	.5½	.7½	.8½	.8½	.9½	.9½	.9½	.8½	.8½
1844.	.8½	.8½	.9	.8½	.8	.8½	.9½	.9½	.9½	.10	.10	.10
1845.	.10	.10	.9½	.9½	.9½	.9½	.10	.10	.9½	.9½	.9½	.8½
1846.	.8½	.8½	.8½	.10	.10	.9½	.8½	.8	.9½	.9½	.6	.6½
1847.	.5½	.5½	.5½	.4½	.6½	.7½	.6½	.6½	.7½	.9	.10	.10½
1848.	.10½	.10½	.10	.10	.10½	.10½	.10	.9½	.9½	.9	.8½	.8½
1849.	.9	.8½	.8	.6½	.8½	.9½	.9½	.9	.10	.10	.10½	.9
1850.	.8½	.9	.8½	.8½	.9½	.10	.10½	.10½	.10½	.10½	.10½	.9½

(The prices quoted are in each instance the rate charged for A 1 Bills. Good but not well known Bills usually could have been bought for a fraction less.)



## THE FOREIGN EXCHANGES.

THE preceding table exhibits the condition of the exchange market for each month from January, 1822, to December, 1850. The prices quoted are for No. 1 bills, or what are now termed *bankers' bills*. We now add the quotations for the year 1851, which will complete the series to this time.

*Rates for Bankers' Bills at New York, on London, Paris, and Amsterdam, at the Beginning of each Month in 1851.*

1851.	London.	Paris.	Amsterdam.
January 1, . . . . .	110½ a 110¾	5 <i>l</i> . 11½ a 5 <i>l</i> . 10	41½ a 41¾
February 1, . . . . .	109¾ a 110	5 <i>l</i> . 12½ a 5 <i>l</i> . 10	41½ a 42
March 1, . . . . .	110 a 110½	5 <i>l</i> . 8½ a 5 <i>l</i> . 7½	41½ a 42
April 1, . . . . .	110½ a 110¾	5 <i>l</i> . 11½ a 5 <i>l</i> . 10	41½ a 41¾
May 1, . . . . .	110½ a 110¾	5 <i>l</i> . 8½ a 5 <i>l</i> . 7½	41½ a 41¾
June 1, . . . . .	110½ a 110¾	5 <i>l</i> . 10 a 5 <i>l</i> . 7½	41½ a 41¾
July 1, . . . . .	110½ a 110¾	5 <i>l</i> . 8½ a 5 <i>l</i> . 7½	41½ a 42
August 1, . . . . .	110½ a 110¾	5 <i>l</i> . 11½ a 5 <i>l</i> . 10	41½ a 42½
September 1, . . . . .	110 a 110½	5 <i>l</i> . 12½ a 5 <i>l</i> . 11½	41 a 41½
October 1, . . . . .	110½ a 110¾	5 <i>l</i> . 12½ a 5 <i>l</i> . 11½	41 a 41½
November 1, . . . . .	110½ a 110¾	5 <i>l</i> . 15 a 5 <i>l</i> . 13½	41½ a 41¾
December 1, . . . . .	110½ a 110¾	5 <i>l</i> . 15 a 5 <i>l</i> . 13½	41½ a 41¾

The rates have been remarkably uniform, and have been kept up by the heavy importations of foreign goods. We annex a statement showing the exports of coin for the year 1851.

*Shipments of Specie from the Port of New York.*

January, . . . . .	\$ 1,266,281	May, . . . . .	\$ 4,506,135	September, . . . . .	\$ 3,490,142
February, . . . . .	1,007,689	June, . . . . .	6,462,367	October, . . . . .	1,779,707
March, . . . . .	2,368,861	July, . . . . .	6,004,170	November, . . . . .	5,033,906
April, . . . . .	3,482,182	August, . . . . .	2,653,444	December, . . . . .	5,665,235

Total shipments from New York, \$43,723,000; total from Boston, \$4,000,000; total from Philadelphia, \$2,000,000; total for the year, \$49,723,000. Receipts for the year from California, \$43,600,000. Difference, \$6,123,000. Coinage for the year 1851, \$52,689,000.

The official report of the last fiscal year shows the importations to have been \$215,000,000; to which we may add *for undervaluations* of invoices, 10 per cent., \$21,500,000,—equivalent to \$236,500,000. While the exports were, in the aggregate, \$196,000,000. Difference for the year, \$40,500,000.

The imports at New York alone for the year ending December 31, 1851, were, \$129,208,000; viz. Dutiable merchandise, \$105,641,000; merchandise free, \$9,687,000; merchandise warehoused, \$13,880,000; and the cash duties were upwards of thirty millions of dollars. The duties for each year since 1843 were as follows:—

*Cash Duties received at the Port of New York.*

1851, . . . . .	\$ 31,038,320.72	1848, . . . . .	\$ 19,959,663.52	1845, . . . . .	\$ 18,055,053.19
1850, . . . . .	28,047,439.74	1847, . . . . .	20,128,052.45	1844, . . . . .	22,052,756.07
1849, . . . . .	21,719,624.56	1846, . . . . .	17,220,635.84	1843, . . . . .	11,574,219.31

## LAWSON'S HISTORY OF BANKING.

## CHAPTER V.

## CONTINUATION OF THE HISTORY OF THE BANK.

*Bank obtain a Renewal of their Charter to 1833. — Consideration given for the same. — A Bank Clerk defrauds the Corporation of £ 300,000. — His Trial and ingenious Defence. — Bank issue Spanish Dollars. — Bullion Committee 1810. — Penalty for Selling Gold Coin. — Bank issue 3s. and 1s. 6d. Silver Tokens. — Act withdrawing the Tokens. — Issue of New Coin of Gold and Silver. — Summary of the Acts on the Restriction of Cash Payments. — Peel's Bill. — Consequences thereof. — Panic among the Bankers. — Description of the Panic by a Bank Director. — Schemes and Bubbles of 1824 and 1825. — Opposition of the Bank to the Government Proposition to improve the Banking System. — Act legalizing the Formation of Joint Stock Banks. — Establishment of Branches by the Bank of England. — Correspondence on renewing the Charter, 1833. — Result thereof. — Regulations of the Bank rendered impracticable. — Loan of £ 20,000,000 to emancipate the Slaves. — Renewal of the Bank Charter, 1844. — Copy of the Act 7 and 8 Vic. c. 32.*

At a general meeting of the proprietors of bank stock, held on the 9th of January, 1800, it was resolved that the Bank should make an offer to the government to advance towards the public service, on or before the 5th of April next, the sum of THREE MILLIONS, on the security of Exchequer bills payable on the 5th of April, 1806, but *without interest*. The Parliament accepted the offer, and in consideration thereof prolonged the Company's privileges, excluding all companies in England consisting of more than six partners from banking operations, from the 1st of August, 1813, the time at which they would otherwise have expired, till the 1st of August, 1833, with one year's notice after that day.

On the discussion of this subject in the House of Commons, it was stated, that the proposal was made by the Bank under the impression that it was the intention of some influential parties in the city to form a rival chartered bank, and that the directors were consequently desirous of preventing such a measure. Mr. Thornton, one of the directors, and a member of the House, stated that, "if the exclusive privilege should be allowed to expire on the 1st of August, 1834, the Bank must nevertheless remain an incorporated body till the last penny of the national debt was paid."

In the month of July, 1803, Robert Astlett, a nephew of Abraham Newland, and a clerk in the Bank, was indicted at the Old Bailey for defrauding the corporation of Exchequer bills to an enormous amount. This trial was remarkable for the defence set up by the prisoner's counsel, Mr. (afterwards Lord) Erskine, who took an exception to the indictment from the fact that the Exchequer bills in question were signed by a party not authorized by the act of Parliament by virtue of which the Exchequer bills were issued.

He therefore maintained that they were not Exchequer bills at all; they were not government securities, nor any thing that the court could

recognize as a species of property, being simply so many pieces of paper. He added, "that the foundation of the argument used by the counsel for the Bank was, that the Bank Act makes it a capital felony for any person to embezzle the securities of the Bank of England, that person being a servant of the Bank, and being intrusted with them; but it was incumbent on the learned counsel to prove, that the prisoner at the bar had embezzled the property of the Bank of England. The signature to the Exchequer bills, as they were called, had no more validity than if they had been signed by the officer of this court."

This ingenious defence succeeded; the jury, under the direction of the judges, acquitted the prisoner. He was subsequently tried on another indictment, and was found guilty and confined in Newgate for many years.

It appears by a statement made by the Governor at a general meeting of the proprietors held on the 14th of July, 1803, that the loss which the Bank sustained by Mr. Astlett was about £ 320,000; yet, although this amount nearly EQUALLED THE ENTIRE DIVIDEND OF THE HALF-YEAR, such was the prosperous state of the Bank that they were able to divide as usual.

On the 12th of May, 1804, the Court of Directors of the Bank of England gave notice by public advertisement that, with the approbation of his Majesty's Privy Council, they had caused dollars to be stamped at Mr. Boulton's manufactory with his Majesty's head, and an inscription, "Georgius III. Dei Gratia Rex," and Britannia, with the words "Five Shilling Dollar, Bank of England, 1804," on the reverse. On the first appearance of these tokens, the glaring impropriety of an inscription composed of two languages was much animadverted upon, it then being the only instance of the kind known in England.

The profits of the Bank had by this time increased so much that, on the 20th of September, 1804, a resolution was passed granting to the holders of bank stock a bonus of five per cent. on their stock; and the directors also agreed to pay the property tax; it was at the same time unanimously agreed that the salaries of the directors should for the future be doubled. Previous to this meeting they received £ 150 per annum each.

It appears, by a return of the amount of commercial paper discounted by the Bank, that in the year 1810 the largest amount ever advanced by the Bank occurred, viz. the sum of £ 20,000,000, on which they received as profit, £ 1,024,933.

A few years after this, silver became so scarce and the current coinage so depreciated, that the Bank of England, having a large quantity of Spanish dollars in their possession which would not circulate, obtained the sanction of the government to issue these dollars with a small head of George the Third stamped on the head of Ferdinand of Spain, and to issue the same for 5s. 6d. each. This proceeding gave rise to still more derisive observations than the case of the Birmingham dollars. The following is a specimen:—

"The Bank, to make their Spanish dollars current pass,  
Stamped the head of a fool on the head of an ass."

According to the mint regulations of England and France at this time,

twenty-five francs twenty centimes in France were equal to one pound sterling in England ; but in consequence of an excess of bills drawn by the commissariat and other agents of the English government, on account of the expenses of the war in different parts of the world, the one pound sterling in France would not obtain more than twenty francs. Consequently, as long as gold could be obtained in England at the mint price of 77s. 10½d. per ounce, it yielded a profit in France of upwards of twenty per cent. against the rate of exchange ; but such a disparity of value, as might naturally be expected, excited a spirit of speculation and competition which raised the price of gold to a premium equal to the discount on the bills ; so that in May, 1809, gold commanded £4 11s. per ounce.

In February, 1810, a committee of the House of Commons was appointed to inquire into the causes of the high price of bullion, and to take into consideration the state of the circulating medium, and of the exchanges between Great Britain and other countries. This committee sat from the 22d of February to the 25th of May, during which time thirty different persons, whose trading transactions and influence were thought to be such as qualified them to throw light upon the subject, were examined ; but whether ignorant of the combination of causes that did in reality produce the disparity between the mint and the trading price of gold, or whether selfish motives led them to conceal their better judgment, certain it is that, although much interesting matter of fact is here and there interspersed through the different parts of the evidence, as a whole it was completely destitute of every thing like a solution of the question proposed.

The labors of the committee proved futile ; for bullion continued to advance in price, and the exchanges progressively to depreciate, until the 18th of September, 1812, when gold reached £5 11s. per ounce, whilst the mint price remained at £3 17s. 10½d. per ounce.

It is singular to trace the opinions held by the directors of the Bank of England relative to the exchanges, which, as appears by the evidence before the Bullion Committee, were mysteries which the directors did not understand ; their testimony on this head is somewhat positive, and as a curiosity we extract the following :—

At page 96, Mr. Pearse, Governor of the Bank, states : “ I cannot see how the amount of bank-notes can operate upon the price of bullion or the state of the exchanges ; and therefore I am individually of opinion that the price of bullion or the state of the exchanges can never be a reason for lessening the amount of bank-notes to be issued.”

Mr. Whitmore. — “ I am so much of the same opinion, that I never think it necessary to advert to the price of gold or the state of the exchanges, on the days on which we make our advances.”

Page 144. Mr. Harman, a Bank Director. — “ I must very materially alter my opinion, before I can suppose that the exchanges will be influenced by any modification of our paper currency.”

Most of the merchants examined by the committee spoke of the principle of regulating the issue of paper by the state of the exchange with the greatest disdain ; and so rooted was the opinion among practical

men that the Bank issues had nothing to do with the exchanges, that in the year 1819 the directors entered in their minutes a formal resolution to that effect.

Nevertheless, the absurd doctrine, as it was termed, of the philosophers and economists of 1810, has been of late years adopted by the Bank directors as the rule by which they regulate their proceedings. The resolution of 1819 was rescinded in 1827, when the Bank issues were governed by the state of the exchanges, or, in other words, they are increased when bullion is sent into the Bank, and diminished when notes are sent in for gold.

The suspension of cash payments by the Bank gave rise to numerous publications on the subject; but none of them contained so many bitter reflections, or created so great a sensation, as that from the pen of the late Mr. Huskisson, who was desirous of showing that the profits derived from the suspension of payments were entirely absorbed by the Bank, the public having neither participation in them, nor any consideration for interfering in their behalf.

The Bullion Committee having in their report proposed to allow the Bank two years to prepare for the resumption of cash payments, such proposition was considered by the Court of Proprietors as a gross infringement of their charter. One of them, addressing the chair, said, "Let the government pay us the eighteen millions they owe us, and we will make up the remaining two millions by subscription among ourselves within an hour, so as immediately to discharge all our notes." This lofty language was strongly animadverted upon by Mr. Huskisson. The true state of the case with respect to the eighteen millions due by the government was, that by far the greater portion was advanced by the Bank at each successive renewal of their charter, and in consideration of enjoying the exclusive privilege of banking; and, as the charter had then twenty years to run, the money was not really due by the government till that period had expired.

On the 24th of July, 1810, an act was passed in which, among other things, it was enacted, that "the current gold coin should not be received or paid for more than the true lawful value, either in lawful money or in any note or notes of the Bank of England, or in any silver token or tokens issued by the Bank, or by any or all of the said means, wholly or partly, or by any other means, device, shift, or contrivance whatsoever, on pain that the offender therein should be deemed and adjudged guilty of a misdemeanor." It was further enacted, under the same penalty, that notes of the Bank of England should not, by any means, be received or paid for less than the amount of lawful money expressed therein, except only lawful discount on such as should not be payable on demand.

The above act bears a singular contrast with a notice issued by the Bank on the 18th of March of the same year, which notice stated that, since the issue of the dollars at five shillings each, silver had risen in value, and that they had given orders to their cashiers to receive all such Bank dollar tokens at the rate of *five shillings and sixpence each*.

A few years after the passing of the above act, it was put in force

against a person of the name of De Yonge, who was tried at the Old Bailey for selling the current coin of the realm for more than its legal value. It appeared on the trial, that De Yonge had sold guineas of standard weight as light coin, at 24*s.* 6*d.* each.

The unanimous opinion of the judges in this case was, "that the exchange described on this record, that is, of guineas for bank-notes, taking such guineas at a higher value than they were current for under the King's proclamation, was not an offence against the 5th and 6th of Edward VI., upon which the indictment was founded." The absurdity of the proceeding was evident from the fact, that, had the guineas been really light, and had been sold at 24*s.* 6*d.* each, there would have been no prosecution.

At this period of our history — and the fact deserves to be recorded — guineas, which by law were worth no more than 21*s.* each, were salable on the Continent for 29*s.*, the effect of which price on the course of exchange may be thus instanced. A parcel of goods bought in London for £500 might have been sold on the Continent for 400 guineas. Yet, for the 400 guineas, the merchant might have obtained from his banker £580, or 552 guineas and 8*s.*

On the 9th of July, 1811, the Bank issued silver tokens for three shillings and one shilling and sixpence; and, according to the public papers, counterfeits for those of three shillings appeared within a week after the genuine ones had been put in circulation.

On the 12th of July, 1812, the act of the 44th Geo. III. c. 71, so far as it related to the dollars issued by the Bank of England, was renewed from the 1st of August then next ensuing, and extended to the tokens for three shillings and one shilling and sixpence, and the punishment for counterfeiting was altered to transportation for life.

From an account which was delivered by the Bank to the House of Commons, it appears that, from the year 1804 to 1815, both inclusive, the Bank had issued in dollars at five shillings and five shillings and sixpence each, and in tokens for three shillings and one shilling and sixpence, to the amount of £4,457,649 4*s.* 6*d.*; and that the receipt of Bank dollars and tokens in 1816 had exceeded that sum by the sum of £105,859 3*s.* 6*d.*

On the 11th of July, 1817, an act was passed, which declared, that it was no longer necessary to continue in circulation the dollars and tokens of the Bank of England; and ordering that they should not be paid or received after the 25th of March, 1818, on penalty of paying for every such dollar, &c., uttered, offered, or tendered in payment, any sum not exceeding five pounds, nor less than forty shillings, at the discretion of the justice or justices of the peace who should hear and determine such offence. But there was nothing in the act to prevent the tokens, &c. from being presented to the Bank of England for payment until the 25th of March, 1820, or to restrain or prevent any person from selling them as old silver at the current price, and without regard to the nominal or real value at which they were circulated.

In consequence of this act, the Bank issued a notice, that, from and after the 1st of August, all the tokens, &c. would be exchanged at the

Bank either for gold or silver, current coin of the realm, or for the notes of the said Governor and Company, at the option of the holder. This notice was repeated on the 12th of February, 1818, and the same was sent to all the postmasters, with a request that they would put it up in some public part of their respective towns.

In order to supply the place of these tokens when they should be withdrawn from circulation, the Court of Directors of the Governor and Company of the Bank of England, on the 12th of March, gave notice by public advertisement, that, from and after the 19th day of that month, "they would be ready to issue to each of the bankers in London current silver coin of the realm to the amount of twenty thousand pounds, in exchange for bank-notes, provided application should be made for the same before the 5th of July."

According to an account delivered into the House of Commons on the 1st of June, 1818, there had been coined up to that day:—

			<i>Issued to the Bank.</i>
Gold. — Sovereigns,	. . . . .	£ 5,406,517	£ 3,224,025 0
Half-sovereigns,	. . . . .	3,103,474	1,037,295 0
Of these there had been issued from the Bank:—			
Sovereigns,	. . . . .		£ 2,848,067 0
Half-sovereigns,	. . . . .		646,942 10
Silver. — Shillings,	. . . . .	50,490,000 in number.	
Sixpences,	. . . . .	30,436,560 in number.	

The number of half-crowns is not specified in this return; but in a former account of the silver coinage, presented on the 15th of April, 1818, it appears that 1,125,630 of those pieces had been coined.

A sovereign of standard weight contains 5 pennyweights and  $3\frac{1}{4}$  grains of gold; and a pound of gold of the standard, or mint, price of £ 3 17s. 10½d. per ounce, is worth £ 46 14s. 6d.; and when guineas of the standard weight of 5 pennyweights  $9\frac{1}{4}$  grains were in circulation, a pound of gold could be divided and made into 44½ guineas; but it is impossible to coin a pound of gold into sovereigns, or pay sovereigns for a pound of gold, without the aid of silver.

The following summary of the various acts of Parliament, in reference to the restriction of cash payments by the Bank of England, is a proof, if any is wanted, that the measure recommended by the minister was never considered in any other light than that of a temporary expedient to meet a sudden emergency, and renewed from time to time for such periods as the Bank of England required.

1797. The first act confirming and continuing the restriction contained in the minute of council of the 26th of February, 1797, was passed on the 3d of May, 1797, and was to be in force till the 24th of June, 1797. The restriction was further continued, by an act passed on the 22d of June, 1797, until one month after the commencement of the then next session of Parliament. By another act, passed on the 30th of November in the same year, the restriction was further continued until one month after the conclusion of the war by a definitive treaty of peace.



1799. On the 3d of January, 1799, the Directors of the Bank, in pursuance of a power granted to them by the act of Parliament referred to, gave notice that on the 14th of that month they would pay in cash all fractional sums under five pounds; and that on the 1st of February, 1800, they would pay cash for all notes of one and two pounds dated prior to the 1st of July, 1798, or exchange them for new notes of the same value, at the option of the holders.

1802. By another act, passed on the 30th of April, 1802, the restriction was continued until the 1st of March, 1803. On the 28th of February, 1803, it was further continued until the expiration of six weeks from the commencement of the then next session of Parliament. On the 13th of December, 1803, the country being then again at war, it was further continued until six months after the ratification of a definitive treaty of peace. By an act passed on the 18th of July, 1814, the restriction upon the Bank was continued until the 25th of March, 1815, and it was further continued by an act passed on the 23d of March, 1815, to the 5th of July, 1816. On the 21st of March, 1816, an act was passed by which — after reciting in the preamble “that it was highly desirable that the Bank should, as soon as possible, return to the payment of its notes in cash, and that it was expedient that the provisions of the former acts should be further continued, in order to afford time to the directors of the Bank to make such preparation as to their discretions and experience might appear most expedient for enabling them to resume payments in cash, without public inconvenience, and at the earliest period; and that a time should be fixed at which the said restriction should cease” — it was enacted, that the said restriction should be continued until the 5th of July, 1818.

1818. On the 28th of May, 1818, another act was passed, by which, after reciting in the preamble that it was highly desirable that the Bank of England should return, as soon as possible, to the payment of its notes in cash, and that unforeseen circumstances which had occurred since the passing of the last of the preceding acts had rendered it expedient that the restriction should be further continued, and that another period should be fixed for the termination thereof, the restriction was further continued until the 5th of July, 1819. In the month of February, 1819, a Committee of Secrecy was appointed to consider of the state of the Bank of England, with reference to the expediency of the resumption of cash payments at the period fixed by law, and into such other matters as were connected therewith.

The report of this committee determined ministers on proposing to Parliament measures for the prospective resumption of cash payments. Certain resolutions were submitted to the House of Commons to that effect, which were afterwards embodied in a bill, commonly known as Peel's Bill, and which provided for the gradual resumption of cash payments by the Bank of England.

Under the provisions of this law, the Bank Restriction Act was continued in force until the 1st of February, 1820; and from that time till the 1st of October in the same year the Bank was required to pay its notes in bullion of standard fineness, at the rate of £ 4 1s. per ounce.



From the 1st of October, 1820, to the 1st of May, 1821, the price of bullion was reduced to £ 3 19s. 6d. per ounce.

From the last-mentioned day, bullion might be demanded for notes at the mint price of £ 3 17s. 10½d. per ounce ; and on the 1st of May, 1823, the current gold coin of the realm might be demanded in payment for the notes of the Bank.

1825. Soon after the passing of Peel's bill, the Bank of England began to accumulate their stock of gold, which at one time amounted to the enormous sum of £ 20,000,000. In the month of February, 1825, the amount of bullion in the bank was reduced to £ 8,857,000, and at the end of the same year the amount of notes in circulation was in round numbers £ 20,000,000, whilst the means of paying that sum in gold, which the Bank were bound to do by Peel's bill, had been reduced to the paltry sum of £ 426,000 in coin, and £ 601,000 in bullion.

On this subject, Mr. Harman stated, in his examination before the committee of the House of Commons, in 1826, that he did not recollect the precise amount of gold in the Bank coffers at the latter end of December, 1825, but that it was miserably low. "The timely issue of the one-pound notes worked wonders, and it was by great good luck we had the means of doing it ; for it happened that an old box, containing a quantity of one-pound notes, had been overlooked, and they were forthcoming at the lucky moment. This, as far as my judgment goes, saved the country." Thus were we indebted to the contents of an old box, which had been overlooked, and was "forthcoming at the lucky moment," for saving the country from irremediable ruin in the year 1825, as we have been indebted to an order in Council for saving the country in 1797.

It is beyond the power of words to describe the general consternation of the metropolis at this period. No event ever gave so great a blow both to trade and public credit. A universal bankruptcy was expected ; the stoppage of almost every banking-house in London was looked for ; and the whole city was panic-struck. Confidence and credit were almost entirely suspended.

One of the largest northern country banks was the first to give way to the general pressure ; and the alarm once excited soon became general all over the country. In the short space of six weeks above seventy banking establishments were destroyed, notwithstanding the very large advances made by the Bank of England ; and the run upon the Bank for cash to supply the wants of the country banks was so heavy, that, to save itself from absolute failure, it had recourse, as we have already remarked, to an issue of one-pound notes amounting to upwards of one million.

From the evidence of Mr. Harman, we find that the Bank made a formal communication to the government for an order in Council to restrain the payment in gold ; but this the government resisted from first to last.

The issue of the one-pound notes was attended with the most beneficial effects. They were readily received by the public in exchange for those of provincial bankers, and the demand for bullion from the country ceased. During this period the Bank of England, as ap-

THE UNIVERSITY OF CHICAGO LIBRARY

pears by the evidence of Mr. Ward, sustained a loss in the repurchase of bullion to the amount of £ 100,000.

The information furnished by Mr. Richards, the Deputy Governor of the Bank, to the committee of the House of Commons, is so graphically descriptive of the state of London at this period, that we cannot omit giving it a place in our history. It is taken from the short-hand writer's notes, and was nearly in the following words:—

"I think," says Mr. Richards, "it must have been in the autumn of 1825, that the Bank began very seriously to contemplate what would be the result of the speculations and of various circumstances that were going forward. That increased in October and November, when there continued to be a very great demand for gold, which I think began about April; and, I believe, it advanced down to the first Saturday in December. Not only the Bank, but, I believe, every man's mind connected with the city, was in an extreme state of excitement and alarm. I think I can recollect, on the first Saturday in December, having come home after a very weary and anxious day from the Bank, receiving a visit from two members of this committee, and one of our bankers, at my own house, stating a difficulty in which a banking-house near to the Bank was placed. I will not assert it, but I believe they had gone so far as to take care of the clearing of that house that evening, so as that it might fulfil its engagements. The object of that visit was to ascertain what would be my views upon the subject. I was called upon because the *Governor was particularly connected with the house of Pole & Co. by marriage and other circumstances of relationship*. After speaking upon the subject for some time, I was pretty sure that I could answer for the firmness of the Bank; and I ventured to encourage these gentlemen to hope that, upon any thing like a fair statement, the Bank would not let this concern fall through. It was agreed that upon the following morning (Sunday) we should meet as many directors as I could get together, with the three gentlemen who had called upon me, at the house of one of them, and that in the mean time some eminent merchants, friends of the house, should also be called to the meeting to assist with their opinion. We so met; and, after hearing all the facts, which were collected in the first instance by the bankers and the merchants present, the directors authorized their chair to say that assistance should not be wanting. It was agreed that £ 300,000 should be placed at the disposal of Pole & Co. the next morning, for which the Bank was to receive, and did receive, as securities, a number of bills of exchange and notes of hand; and, over and above, a mortgage on Sir Peter Pole's property, which was to ride over the whole. They fought it through till Thursday or Friday pretty manfully, and up to Saturday evening, when their position was such that, without the assistance of the same eminent individuals who had taken part before, the clearing would not have gone right. Sunday passed; and on Monday morning the storm began; and till Saturday night it raged with an intensity that it is impossible for me to describe. On Saturday night it had somewhat abated. The Bank had taken a firm and deliberate resolution to make common cause with the country as far as their humble efforts would go. In the following week things began to get a little more steady; and by the 24th, what with the one-pound notes which had gone out, and other things, people began to be satisfied; and then it was, for the first time in a fortnight, that those who had been busied in that terrible scene could recollect that they had families who had some claim upon their attention. It happened to me not to see my children for that week."

It appears from a published table of the schemes and bubbles projected in 1824 that they amounted in number to 243; that the amount of capital proposed to be subscribed on these schemes was £ 248,000,000; that the amount actually paid up was £ 43,062,608; and that the balance due on the whole of them at the close of the year 1825 was £ 204,937,392. Numerous other schemes, to which equal publicity was not given, are known to have been projected throughout the United Kingdom; and without exaggeration it may be inferred—though the statement may astonish dupes and directors—that the bubble mania, if

carried into execution to its meditated extent, would have required (if it could have been procured) a capital of £ 350,000,000 sterling.

1826. On the 13th of January, 1826, Lord Liverpool and the Chancellor of the Exchequer, F. J. Robinson, transmitted to the Bank of England a paper containing their views on the then state of the banking system of this country, with their suggestions thereupon, a few of which we shall, in an abridged form, present to our readers.

"We believe that much of the prosperity of the country for the last century is to be ascribed to the general wisdom, justice, and fairness of the dealings of the Bank; and we further think that during a great part of that time it may have been *in itself* and *by itself* fully equal to all the important duties and operations confided to it. But the progress of the country during the last thirty or forty years in every branch of industry, in agriculture, manufactures, commerce, and navigation, has been so rapid and extensive, as to make it no reflection upon the Bank of England to say, that the *instrument* which *by itself* was fully adequate to former transactions, is no longer sufficient, without new aids, to meet the demands of the present times. We have to a considerable degree the proof of this position in the very establishment of so many country banks. Within the memory of many living, and even in some of those now engaged in public affairs, there were no country banks, except in a few of the great commercial towns.

"If the concerns of the country could be carried on without any bank than that of the Bank of England, there might be some reason for not interfering with their exclusive privilege; but the effect of the law, at present, is to permit every description of banking *except* that which is *solid* and *secure*.

"Let the Bank of England reflect on the dangers to which it has been recently exposed; and let its directors and proprietors then say whether, for their own interest, such an improvement as is suggested in the banking system is not desirable and even necessary.

"The Bank of England may perhaps propose, as they did on a former occasion, an extension of the term of their exclusive privilege as to the metropolis and its neighborhood beyond the year 1833, as the price of this concession.

"It would be very much to be regretted that they should require any such condition.

"It is clear that in point of security they would gain by the concession proposed to them, inasmuch as their own safety is now necessarily endangered by all such convulsions in the country circulation as we have lately and formerly witnessed.

"Nor in point of profit would they lose any thing by it for which they are entitled to ask compensation. The government could not extinguish the existing country banks, even if it were desirable; but it may be within our power, gradually at least, to establish a sound system of banking throughout the country; and if such a system can be formed, there can be little doubt that it would ultimately extinguish and absorb all that is objectionable and dangerous in the present banking establishment.

"There appear to be two modes of attaining this object.

"First. That the Bank of England should establish branches of its own body in different parts of the country.

"Secondly. That the Bank of England should give up its exclusive privilege as to the number of partners engaged in banking, except within a certain distance of the metropolis.

"It has always appeared to us that it would be very desirable that the Bank should have tried the first of these plans, that of establishing branch banks on a limited scale. But we are not insensible to the difficulties which would have attended such an experiment, and we are quite satisfied that it would be impossible for the Bank, under present circumstances, to carry into execution such a system to the extent necessary for providing for the wants of the country.

"The effect of the second plan would be, the gradual establishment of extensive and respectable banks in different parts of the country; some, perhaps, with charters from the crown, under certain qualifications, and some without.

"It is notorious that, at the present time, their notes circulate in no part of England beyond the metropolis and its environs, except in Lancashire; and perhaps for that district some special provision might be made.

THE UNIVERSITY OF CHICAGO LIBRARY

"If the Bank of England has no country circulation except in the county above named, the only question for them to consider is, whether on the ground of profit, as well as security to themselves, the existing country circulation shall or shall not be improved.

"With respect to the extension of the term of their exclusive privileges in the metropolis and its neighborhood, it is obvious from what passed before, that Parliament will never agree to it.

"Such privileges are out of fashion; and what expectation can the Bank, under present circumstances, entertain that theirs will be renewed? But there is no reason why the Bank of England should look at this consequence with dismay; they will remain a chartered corporation for carrying on the business of banking. In that character they will, we trust, always continue to be the sole bankers of the state; and with these advantages, so long as they conduct their affairs wisely and prudently, they always must be the great centre of banking and circulation. Theirs is the only establishment where the dividends due to the public creditor can by law be paid.

"It is to be hoped, therefore, that the Bank will make no difficulty in giving up their exclusive privileges in respect to the number of partners engaged in banking as to any district sixty-five miles from the metropolis.

"Should the Bank be disposed to consent to a measure of this nature in time to enable the government to announce such a concession on the opening of Parliament, it would afford great facilities to the arrangements which they may have to propose for insuring the stability of private credit, in which the support of public credit, and the maintenance of public prosperity, are so materially and closely involved."

The directors took the above communication into consideration on the 20th of January, 1826, and passed several resolutions relating thereto; and concluded as follows:—

"Under the uncertainty in which the Court of Directors find themselves with respect to the details of the plans of government, and the effect which they may have on the interests of the Bank, this court cannot feel themselves justified in recommending to the proprietors to give up the privilege which they now enjoy, sanctioned and confirmed as it is by the solemn acts of the legislature."

On the 23d of January, this was replied to by the First Lord of the Treasury and the Chancellor of the Exchequer, who continued of the same opinion as before, and concluded by stating that they were satisfied the profits of the Bank would in no degree be affected by their consenting to such proposals. "Convinced of this, and that its adoption by the Bank is as important to their own security as to that of the public, it does not appear that the Bank can be equitably entitled to claim any compensation for the surrender of this privilege of their charter. Against any proposition for such compensation the First Lord of the Treasury and the Chancellor of the Exchequer formally protest; but if the Bank should be of opinion that this concession should be accompanied with other conditions, and that it ought not to be made without them, it is for the Bank to bring forward such conditions."

At a Court of Directors at the Bank, the 26th of January, 1826, the Governor laid before the court the following minute of the Committee of Treasury, viz.:—

*"Committee of Treasury, 25th January, 1826.*

"The Committee of Treasury having taken into consideration a paper received from the First Lord of the Treasury and the Chancellor of the Exchequer, dated the 23d of January, 1826, and finding that his Majesty's ministers persevere in their desire to propose to restrict immediately the exclusive privilege of the Bank as to the number of partners engaged in banking to a certain distance from the metropolis, and also continue to be of opinion that Parliament would not consent to renew the privilege at the expiration of the period of their present charter; finding also that the pro-



posals by the Bank of establishing branch banks is deemed by his Majesty's ministers inadequate to the wants of the country; are of opinion that it would be desirable for this corporation to propose as a basis the act of the 6th of George IV. c. 42, which states the condition on which the Bank of Ireland relinquished its exclusive privilege, this corporation waiving the question of a prolongation of time, although the committee cannot agree in the opinion of the First Lord of the Treasury and the Chancellor of the Exchequer, that they are not making a considerable sacrifice, adverting especially to the Bank of Ireland remaining in possession of that privilege five years longer than the Bank of England."

Resolved, "That the foregoing recommendation of the Committee of Treasury be agreed to; and that the Governor and Deputy Governor be requested to lay it before the First Lord of the Treasury and the Chancellor of the Exchequer."

This having been done, the following reply was forwarded to the Bank:—

"*Fife House, 28th January, 1826.*

"The First Lord of the Treasury and the Chancellor of the Exchequer have taken into consideration the paper delivered to them by the Governor and Deputy Governor of the Bank on the 27th instant.

"They think it right to lose no time in expressing their concurrence in the proposition which has been sanctioned by the Board of Directors, as to the exclusive privilege of the Bank of England, and are willing to agree that the two clauses inserted in the Irish act of last year, and referred to in the paper communicated by the Governor and Deputy Governor on the 27th instant, shall be inserted in the bill, which will be necessary to give effect to the new arrangement."

At a general court of the Governor and Company of the Bank of England, Friday, the 3d of February, 1826,

Resolved, "That this court do consent to the terms proposed to the Bank in the papers now read, and do request the Court of Directors to carry the arrangement into effect."

On the 17th of February, the bill was brought under the notice of the House of Lords, when Lord Liverpool thus described the system of banking which grew up under the then existing law:—

"The present system of law as to banks must now be altered in one way or another. It is the most absurd, the most inefficient; it has not one recommendation to stand upon. The present system is one of the fullest liberty as to what is rotten and bad, but of the most complete restriction as to all that is good. By it a cobbler or a cheesemonger, without any proof of his ability to meet them, may issue his notes, unrestricted by any check whatever; while, on the other hand, more than six persons, however respectable, are not permitted to become partners in a bank with whose notes the whole business of the county may be transacted. Altogether, the system is so absurd, both in theory and practice, that it would not appear to deserve the slightest support, if it was attentively considered, even for a single moment."

Whether the system of banking thus denounced was or was not as bad as it is here described, Lord Liverpool did not make any change in it, but still left the cobbler and cheesemonger the power to issue their notes without any check whatever. The changes he made consisted in repealing the restriction of the number of partners, except in London, and within a distance of sixty-five miles thereof, in allowing the Bank of England to establish branch banks, and in abolishing the issue of one-pound notes in England.

On the 26th of May, 1826, an act was passed for the better regulating copartnerships of certain bankers in England, to which we shall more particularly refer in our chapter on Joint Stock Banks. The act contains the following clause:—

"To prevent any doubts that might arise whether the Governor and Company of the Bank of England under and by virtue of their charter, and the several acts of Parliament which have been made and passed in relation to the affairs of the said Governor and Company, can lawfully carry on the trade or business of banking otherwise than under the immediate order, management, and direction of the Court of Directors of the said Governor and Company: be it therefore enacted, that it shall and may be lawful for the said Governor and Company to authorize and empower any committee or committees, agent or agents, to carry on the business of banking: provided always, that in any place where the trade and business of banking shall be carried on for and on behalf of the said Governor and Company of the Bank of England, any promissory note issued on their account in such place shall be made payable in coin in such place as well as in London."

Immediately after the effects of the panic had subsided, the Bank of England, as we have stated above, was armed with the power of establishing branch banks throughout the country.

1827. The country bankers contemplated the exercise of this power with alarm, and a committee of that body held a meeting in London on the 7th of December, 1827; and among other resolutions the following were adopted:—

"That the late measures of the Bank of England in the establishment of branch banks have the evident tendency to subvert the general banking system throughout the country, and which has grown up with, and been adapted to, the wants and convenience of the public.

"That it can be distinctly proved that the prosperity of trade, the support of agriculture, the increase of general improvement, and the productiveness of the national revenue, are intimately connected with the existing system of banking.

"That the country bankers would not complain of rival establishments founded upon equal terms; but they do complain of being required to compete with a great company, possessing a monopoly and exclusive privileges.

"That, should this great corporation, conducted by directors who are not personally responsible, succeed by means of these exclusive advantages in their apparent object of supplanting the existing banking establishments, they will thereby be rendered masters of the circulation of the country, which they will be enabled to contract or expand according to their own will; and thus be armed with a tremendous power and influence, dangerous to the stability of property and the independence of the country."

A deputation was appointed to wait on Lord Goderich, the First Lord of the Treasury, and Mr. Herries, the Chancellor of the Exchequer, who gave the following reply:—

"Lord Goderich and the Chancellor of the Exchequer state to the deputation, that they are fully sensible of the great importance of the subjects which are brought before them by the deputation, and that (although it is obviously impossible that they can undertake on the part of the government to express upon this occasion any opinion upon the matters under consideration) they can assure the deputation that all that has been communicated shall receive the most deliberate and serious attention."

No steps, however, were taken by the government, and the country bankers again memorialized the government, but with no more success.

The following list shows the dates when the branches of the Bank of England were respectively opened:—

	<i>Opened.</i>		<i>Opened.</i>
Gloucester,	19th July, 1826.	Leeds,	23d August, 1827.
Manchester,	21st September, 1826.	Newcastle,	21st April, 1828.
Swansea,	23d October, 1826.	Hull,	2d January, 1829.
Birmingham,	1st January, 1827.	Norwich,	1st December, 1829.
Liverpool,	2d July, 1827.	Norwich,	16th May, 1834.
Bristol,	12th July, 1827.		

A branch was opened at Exeter, on the 17th of December, 1827, which was subsequently removed to Plymouth. An auditor or inspector visits the branches, but without the agent knowing the time of his visit. The powers confined to the agents are very extensive, and sufficient to conduct all the ordinary business of the branches.

The managers of all the branches communicate daily with the Bank in London, advising of every transaction that has been entered into during the day, from beginning to end; the total amount paid in, the total amount received, the amount of the bills discounted, the amount of discount which is charged from the preceding day, and the balance of cash remaining, not merely stating the amount of the balance, but in what it consists, the notes in possession, and the amount of gold and silver, the notes that have been received and cancelled on that day, together with every other particular relating to the affairs of that branch,—all these particulars are sent to London every day.

The agent of the Bank represents the authority of the Bank of England at the branches; he is responsible in a bond of £ 20,000 for his proper conduct, and also for using a due discretion and diligence in the administration of the affairs in the branch.

Such of the joint stock banks as were permitted to have discount accounts with the branch banks, in the place of issuing their own notes, were required, previous to such accounts being opened, to transmit to the Bank of England a copy of the deed of settlement of that particular bank, with a list of the shareholders, and a confidential opinion as to whether the greatest proportion of the shareholders are respectable, whether they are parties known to be wealthy, or men of consequence, together with any other information respecting the bank.

Several of the country bankers undertook the circulation of Bank of England notes in place of their own. The conditions on which the Bank of England agreed to furnish to these banks a circulation of bank paper were generally in a fixed minimum and maximum, varying about 14 per cent.; such advances were made from year to year, terminable by a notice given by either party on the 1st of October, and on approved bills of exchange not having more than 95 days to run.

The mode adopted in fixing the amount which the Bank of England undertook to advance to any bank applying for discounts was, in the case of a previous circulation by such bank, to show the amount of its notes; and if it could prove, to the satisfaction of the Bank of England, that it was able to keep out a circulation of £ 60,000 or £ 100,000, that amount of discount was afforded; but when there was no previous circulation, they found it difficult to fix an amount, and therefore gave an open account for the year, to try what amount would be permanently kept out. By these arrangements, all of which are now at an end, the Bank of England had no power to contract their circulation, at least below the amount to which they had undertaken to advance to the country bankers.

The measure taken by the Bank for extending the circulation of their notes through their branches is, in permitting individuals of supposed credit to open discount accounts with the branch banks; and to those

bankers who have proposed to withdraw their circulation the Bank have given the same amount of coin and bank-notes that such bankers were previously stated to possess in their own notes, upon approved bills of exchange, at a rate of discount not exceeding three per cent. per annum.

Such a system has undoubtedly a tendency to engross the circulation of the country, which, when carried to any great extent, will contribute to produce the necessity, in the event of any sudden drain upon the Bank for gold, of having recourse to the suspension of cash payments more frequently than under the former state of things.

Since the establishment of branch banks, that portion of the public revenue which till then had been paid in to the country bankers is now, for the most part, paid to the branch banks, who also receive many dividends which were previously received by the country bankers; by which means they have not only deprived the country bankers of many of their best accounts, but have compelled them to reduce their charges for transacting the business of their customers.

The amount of revenue received by the Bank of England through the branch banks, derivable from the land and assessed taxes, the excise, and customs, was, in 1836, £ 2,228,135; for 1837, £ 2,839,126; for 1838, £ 3,323,673; and for 1839, £ 5,026,634. The whole of the above sums are placed to the credit of the Receivers-General immediately they are realized, and by far the greater portion in course of post, after having been paid over to the bank agents.

The whole expense of the eleven branches of the Bank for the year ending 1832 was stated at £ 34,210, which was apportioned to the two heads of liabilities, viz. circulation and deposits. The former amounted to £ 2,500,000, and the latter to £ 500,000. In that apportionment £ 28,508 was for the former, and for the latter £ 5,702.

1833. As the period approached at which the charter of the Bank of England would expire, viz. 1st of August, 1833, a correspondence was entered into between the government and the Bank, as to the terms on which such renewal should be granted. The government propositions consisted of sixteen distinct conditions, and the Chancellor of the Exchequer concluded as follows:—

“The government think that they have a right to demand for the public a liberal compensation. They propose to pay off a part of the debt now due from the public to the Bank, and to reduce it from £ 14,500,000 to £ 7,000,000, and the Bank to engage to continue the management of the public debt, without receiving from the State any annual payment for the performance of the duty.

“It is further proposed, that after the proprietors of bank stock shall have received a dividend of 10 per cent. upon the nominal capital, which will then amount to £ 7,000,000 at the end of each year, whatever accumulation shall have taken place in their rest during the preceding year shall be divided into two equal portions, one of which shall be added to the capital of the Bank and be at the disposal of the proprietors; and the other half shall be deducted from the payments made to the Bank for interest or other charges which they may have against the public.”

On the 11th of April, 1833, the directors of the Bank considered these several propositions, and directed the Governor to reply to the letter of the Chancellor of the Exchequer, giving him their view of the



matter. As this document is important, as showing the opinion of the directors, yet too lengthy to transcribe, we can only give the points of difference, and any new terms proposed by the Bank.

The Bank object to the period of ten years as being too short, and suggest that the renewal shall extend to the usual period of twenty years.

The Court are unable to offer any opinion upon the mode of electing the directors, because the nature of the advantages which will be likely to attend the change in the mode of electing the directors is not stated in the letter of the Chancellor of the Exchequer.

The Court doubt the propriety of reducing the capital of the Bank to the extent proposed, and urge upon his Majesty's ministers a reconsideration of this proposal.

The Court entertain considerable doubts as to the safety of publishing the accounts in the form and manner suggested; but they admit that a frequent periodical statement of the assets and liabilities of the Bank should be submitted to the notice of his Majesty's government.

The Court are aware that, by making Bank of England notes a legal tender by other parties than the Bank, the extent of the internal demand may be reduced; nevertheless, they find themselves unable to concur in the proposed measure.

The Court of Directors now proceed to consider the terms proposed for concession on the part of the Bank.

The Court are impressed with the belief, that the Chancellor of the Exchequer cannot consider the present remuneration derived by the Bank for the management of the circulation, the funded debts, and the government banking account, to be unreasonable.

The present profits amount, upon an average, to about £1,170,000 per annum, from the following sources, after deducting the expenses of the year:—

Interest of funded debt,	£ 440,000
Government business, as per account rendered to the committee of the House of Commons,	180,000
Private business,	550,000

Net profit on the present aggregate capital, of about £19,000,000, . . . £ 1,170,000

The profits, if the capital be reduced as proposed, will stand thus:—

Interest of funded debt,	£ 210,000
Government business, as per account, with the addition of one per cent. on 7½ millions,	255,000
Private business,	475,000

Net profit on aggregate capital of £11,500,000, . . . £ 940,000

From this latter amount it is proposed to deduct £250,000 per annum. The proposal is neither more nor less than that the Bank shall manage the funded debt, the circulation of paper money, and the government banking accounts gratuitously, depositing with the government a capital of £7,000,000 as security for their transactions with the public; and finally taking for their remuneration for such unrequited services the profits of their private business, and the beneficial investments which they now possess; in neither of which have the government any just or equitable right to participate.

The Court of Directors are most willing to meet a proposal for compensation, and to recommend a concession by the proprietors of a reasonable proportion of the advantages which are now derived from their connection with the government; but the Court are unable to offer any expectation that the proprietors will be likely to accede to any proposition founded upon a different basis.

The Court of Directors hope that the Chancellor of the Exchequer will be able so far to modify the proposals now before the Court, as to save them the pain of submitting to a general court of proprietors terms which they cannot recommend, and which they see no prospect of being acceded to.

This determination on the part of the Bank gave rise to a long and interesting correspondence between the Chancellor of the Exchequer

and the Bank, the result of which was, that the government gave up several of their original propositions ; and, after the report of the Secret Committee, which was appointed by the House of Commons to inquire into the expediency of renewing the Bank of England charter, had presented to the House the heads of a bill intended to be introduced, and submitted the same to the directors for their approval, the bill for a renewal of their charter for ten years received, on the 29th of August, 1833, the royal assent.

It is curious to contrast the conduct of the Chancellor of the Exchequer of 1833 with that of Lord Liverpool in 1826. The latter nobleman made certain propositions to the Bank from which he *never deviated*, and which the Bank, with an ill grace, consented to sanction ; and in laying down those propositions he distinctly stated, " that monopolies were out of fashion, and the Bank must not expect a renewal of their exclusive privileges." But the former nobleman, after having at a Cabinet Council settled the terms on which the Bank could alone obtain a renewal of their charter, allowed alterations to be made by the directors of the Bank unfavorable to the public.

The following is an analysis of the act of the 3d and 4th of William IV. c. 98, for renewing the Bank charter.

The intention of the act is declared to be, " that the Bank shall continue to hold and enjoy all the exclusive privileges of banking given by the act of the 39th and 40th of George III. c. 28, and the 7th of George IV. c. 46." " And whereas doubts have arisen as to the construction of the said acts, and as to the extent of such exclusive privileges, and it is expedient that all such doubts should be removed, it is therefore declared that any body politic or corporate, or society, or company, or partnership, although consisting of more than six persons, may carry on the trade or business of banking in London, or within sixty-five miles thereof, provided they do not borrow, owe, or take up in England any sum of money upon their bills or notes payable on demand, or at any less time than six months from the borrowing thereof, during the continuance of the privileges granted by this act to the Governor and Company of the Bank of England."

All promissory notes of the Bank of England payable on demand, issued at any place in England out of London, where the business of banking shall be carried on for or on behalf of the Bank, must be made payable at the place where such notes are issued ; and it is made unlawful for the Governor and Company of the Bank of England, or for any person on their behalf, to issue at any place out of London any promissory note payable on demand not made payable at the place where the same is issued. All notes of the Bank of England to be a legal tender, except by the Bank or its branches. Bills of exchange, not having more than three months to run, are not to be affected by any statute in law in force for the prevention of usury. An account of the amount of bullion and securities to be transmitted weekly to the Chancellor of the Exchequer.

One fourth part of the debt of £ 14,686,800, now due from the public to the Bank, amounting to £ 3,671,700, to be repaid to the Governor

and Company of the Bank of England, and the act regulates the manner in which the repayment is to be made. The Bank agreed to accept a capital of £ 4,080,000 in the Three per Cent. Reduced Annuities, in liquidation of the sum of £ 3,671,700. In consideration of the exclusive privileges granted to the Bank by the above act, a deduction of £ 120,000 was made from the sums payable to the Bank of England for the charges of management of the public unredeemed debt.

Immediately after the renewal of their charter, the directors laid down a principle on which their future operations were to be based, and to which they pledged themselves strictly to adhere; and that was, to retain an investment in securities bearing interest, to the extent of two thirds of its liabilities, the remaining third being in bullion or coin. But it is a singular fact, verified by their own returns, that they seldom conformed to this rule. In 1834 they deviated entirely from it by an increase of their securities; at the time their bullion was reduced, and from that period to the present time, they have been from various causes unable to carry out their own principle. The most remarkable instance is to be found in the returns of the Bank laid before the committee of the House of Commons in August, 1840, by which it appears that in the month of January, 1839, the amount of their circulation was £ 18,201,000 and their deposits £ 10,315,000, which was larger than at any other period during the year; and the same with the bullion, which latter was £ 9,336,000, but the securities were at the lowest during the year, being £ 21,680,000. In the month of September of that year, the circulation was £ 17,960,000; the deposits, £ 7,781,000; the bullion, £ 2,936,000; and the securities, £ 25,936,000; which latter was the highest during the year.

By virtue of the act 3 and 4 William IV. c. 73, the sum of £ 15,000,000, part of £ 20,000,000, was in the year 1835 borrowed for the compensation to the owners of slaves in the British colonies, upon the following terms, viz. : —

The contributors were entitled, for every £ 100 contributed, to —

£ 75 in the Three per Cent. Consolidated Annuities, or . . .	£ 11,250,000	0	0
£ 25 in the Three per Cent. Reduced Annuities, . . .	£ 3,750,000	0	0
And 13s. 7d. per Cent. per Annum Long Annuities, to expire on the 5th January, 1860, . . . . .	£ 101,875	0	0

The annual charge in respect of the annuities created by the above act is as follows : —

Interest of £ 11,250,000 Three per Cent. Annuities, including £ 3,375 paid to the Bank of England, at the rate of £ 300 per million, for management, £ 340,875	0	0	
Interest on £ 3,750,000 Three per Cent. Reduced, including £ 1,125 for management, . . . . .	£ 113,625	0	0
In respect of 13s. 7d. per Cent. Long Annuities, expiring 5th January, 1860, including £ 764 1s. 3d. for management, . . . . .	£ 102,639	1	3
Total annual charge defrayed from the Consolidated Fund, . . . . .	£ 557,139	1	3

1844. On Monday, the 7th of May, 1844, the Prime Minister, Sir Robert Peel, proposed to the House of Commons a string of resolutions for the future regulation of banking in England and Wales; and as they were subsequently embodied in the act 7 and 8 Vic. c. 32, it will be unnecessary to insert them here.

Sir Robert Peel, in his opening address, gave the following graphic description of the various ramifications of the question before the House : —

"There is no contract, public or private, no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements to be made in all the domestic affairs of society, the wages of labor, the transactions of the highest amount and of the lowest, the payment of the national debt, the provisions of the national expenditure on the one hand, and the command which coin of the smallest denomination has over the necessities of life on the other, are all affected by the decision to which we may come on this great question."

So anxious was Sir Robert Peel for the success of this measure, that he sought to give the utmost effect to his speech by the following peroration : —

"A quarter of a century has passed away since I first brought forward that great measure which for ever abolished the system according to which issues of bank-notes were then conducted. To me it will therefore be a source of great personal gratification if I now succeed in inducing the House to agree to a measure calculated to give additional stability to that which Parliament adopted in the year 1819, and to prevent those fluctuations so dangerous to commercial enterprise."

"When I see the danger arising from the Bank of England having recourse to foreign establishments, when I look at the fluctuations which have taken place in our currency, defeating all the calculations on which commercial enterprise could rest, . . . my gratification will be of the highest and purest kind if I prevail on the House to adopt a measure that will give steadiness to the character of our resources, which will inspire confidence in the circulating medium, which will diminish all inducements to fraudulent speculations and gambling, and insure its just reward to commercial enterprise, conducted with honesty, and secured by patience."

The bill which was the subject of this earnest appeal passed into a law on the 19th of July, 1844, and was entitled "An Act to regulate the Issue of Bank-Notes, and for giving to the Governor and Company of the Bank of England certain Privileges for a limited Period"; and as in this act the rules and regulations by which the issues of country notes are for the future to be governed form the principal portion of it, we have inserted at the end of the chapter on Country Banking the clauses which relate to the issue of country notes, whilst the following refer exclusively to the Bank of England.

Section 1 enacts, that from and after the 31st of August, 1844, the issue of promissory notes of the Governor and Company of the Bank of England, payable on demand, shall be separated and thenceforth kept wholly distinct from the general banking business, in a separate department, to be called "The issue department of the Bank of England."

Section 2 provides for the management of the issues by the Bank.

Section 3 provides for the portion of silver bullion to be retained in the issue department.

Section 4 enacts, that all persons may demand of the issue department notes for gold bullion at the rate of £3 17s. 9d. per ounce of standard gold.

Section 6. An account of the amount of notes issued by the issue department, and of gold coin and of gold and silver bullion respectively, and of securities, &c., in the said issue department, to be furnished every week to the Commissioners of Stamps and Taxes.

Section 7 exempts the Bank of England from stamp duties upon their notes.

Section 8. The Bank to allow £180,000 per annum out of the sums now payable, as a consideration for the privilege of exclusive banking.

Section 9 enacts, that the Bank allow the public the profit obtained by any increase of their circulation beyond the amount fixed by this act.

We have now brought the history of the Bank of England down to

our own times. Our next chapter will be devoted to a description of the business carried on by this important corporation; and we close this chapter with a summary of the successive renewals of the Bank charter, of the conditions under which these renewals were obtained, and of the variations in the amount and interest of the debt due by government to the Bank, exclusive of the dead weight.

1694. 5 and 6 William III. c. 20. The charter of the Bank was granted in pursuance and under the authority of this act, redeemable upon the expiration of twelve months' notice, to be given after the 1st of August, 1705, and on payment by the public to the Bank of the sum advanced for the service of the government, viz., £1,200,000 0 0 for which the Bank received 8 per cent. interest.

1697. 8 and 9 William III. c. 10. The said charter was extended or renewed until the expiration of twelve months' notice, to be given after the 1st of August, 1710, and until payment by the public to the Bank of the demands therein specified, being an extension or renewal for five years.

1708. 7 Anne, c. 7. The said charter was extended or renewed until the expiration of twelve months' notice, to be given before the 1st of August, 1732, and until payment by the public to the Bank of the demands therein mentioned, being an extension or renewal for twenty-two years. On this occasion the Bank, for the first time, secured the exclusive privilege of banking; and in consideration for such an important monopoly the Bank advanced £400,000 to government without interest, and delivered up to be cancelled £1,775,027 17s. 10d. Exchequer bills, in consideration of receiving interest on their debt after the rate of 6 per cent. per annum, £2,175,027 17 10

1713. 12 Anne, c. 11. The said charter was extended or renewed until the expiration of twelve months' notice, to be given after the 1st of August, 1742, and on payment, &c.; being an extension for ten years.

1716. 3 Geo. I. c. 8. The Bank advanced to government at 5 per ct. £2,000,000 0 0 By this act the interest on the Exchequer bills cancelled in 1788 was reduced from 6 to 5 per cent.

1721. 8 George I. c. 21. The South Sea Company were authorized to sell £200,000 per annum, government annuities; and corporations purchasing the same at twenty-six years' purchase were authorized to add the amount to their capital stock. The Bank purchased the whole of the £200,000 per annum at twenty years' purchase, making £4,000,000 0 0

A total of £9,375,027 17 10

Repaid to the Bank as a balance of sums advanced and paid between 1727 and 1738, £275,027 17 10

Leaving, £9,100,000 0 0

1742. 15 George II. c. 2. The said charter was extended or renewed, until the expiration of twelve months' notice, to be given after the 1st of August, 1764, and until payment, &c.; being an extension or renewal for twenty-two years. Under this act the Bank advanced the further sum of £1,600,000 0 0

1746. 19 George II. c. 6. The Bank delivered up to be cancelled £986,000 in Exchequer bills, in consideration of an annuity of £39,472, being at the rate of 3 per cent. per annum, £986,000 0 0

1749. 23 George II. c. 6. The interest of the Four per Cent. Annuities was to be reduced to 3½ per cent. for seven years, and after that to 3 per cent.

1764. 4 George III. c. 25. The said charter was extended or renewed until the expiration of twelve months' notice, after the 1st of August, 1786, and until payment, &c., being an extension for twenty-two years; as a consideration for which the Bank paid into the Exchequer, free of all charges, £110,000.

1781. 21 George III. c. 60. The said charter renewed or extended until the expiration of twelve months' notice, to be given after the 1st of August, 1812, and until payment, &c.; being an extension for twenty-six years. Under this act the Bank advanced £3,000,000 for the public service for three years, at 3 per cent.

1800. 39 and 40 George III. c. 28. The said charter was extended or renewed until the expiration of twelve months' notice, to be given after the 1st of August, 1833, and until payment, &c.; being an extension of the charter for twenty-one years. Section 13 secures the rights and privileges of the corporation in very strong terms.

Under this act the Bank advanced to government £3,000,000 for six years, without interest, which was subsequently continued till six months after the signature of a definitive treaty of peace.

1808. 48 Geo. III. The allowance to the Bank for the management of the national debt was regulated.

1816. 5 and 6 Geo. III. c. 96. The Bank advanced to government, £ 3,000,000 0 0 at 3 per cent., to be repaid on or before August, 1833.

A total of . . . . . £ 14,686,800 0 0

1833. 3 and 4 Will. IV. c. 98. The said charter was extended or renewed till twelve months' notice, after 1st August, 1855, with a proviso that it might be dissolved on twelve months' notice, after 1st August, 1844, and on payment, &c. This act directs that a fourth part of the debt due to the Bank be paid off, . . . £ 3,638,250 0 0

Making the balance, . . . . . £ 11,048,550 0 0

1844. 7 and 8 Vic. c. 32. The said charter renewed or extended till twelve months' notice, to be given after 1st August, 1855, and upon repayment, &c. This act makes very extensive alterations, not only in the system of the Bank of England, but of all banks in England and Wales. It regulates the amount of the issues of the Bank of England, and enables the Bank to add to their securities £3,000,000 of Government stock or Exchequer bills, &c.

**EARLY CURRENCY IN MAINE.**—Long before any permanent settlements were made on the shores of Maine, there was an extensive commerce carried on with the Indians of that territory by the fleets which annually came from Europe for fish and peltry. In such intercourse, cash was scarcely known. The natives were ready to barter large amounts of skins for beads, knives, hatchets, and blankets, and especially for tobacco, powder, shot, guns, and strong water. Philanthropists, who desired the highest welfare of the red man, and sought to bring him under the salutary restraints of the Gospel, according to the professed purpose of every charter for American colonies, perceived that the most of such merchandise tended to demoralize and render him a dangerous neighbor. They petitioned and obtained restrictions. Their benevolent action, as usual in attempts to suppress gainful but deleterious customs, caused much excitement among the numerous traders, who set more by their own interest than they cared for others' ruin.

The article of peltry, so abundantly offered by the natives and so eagerly sought by foreigners, was received and passed as cash by the colonists.

Another commodity, adopted by them from the aborigines, for a similar end, was wampum. This was brought from Manhadoes, afterwards New York, on a voyage thither in 1628. It is thus described by Governor Bradford:—"That which in time turns most to our advantage is, their now acquainting and entering us into the trade of wampum. By which and provisions, we quite cut off the trade both from the fishermen and straggling planters. And strange it is, to see the great alteration it in a few years makes among the savages. For the Massachusetts and others, in these parts, had scarce any, it being only made and kept among the Pequots and Naragansetts, who grew rich and potent by it; whereas the rest, who use it not, are poor and beggarly." Here we have the position, long assumed by the great body of the civilized, that a circulating medium, aside from the fruits of the field and of the chase, tends to enrich and strengthen a people, confirmed by the experience of men in a state of nature.

Roger Williams, in his observations on such money of the New England Indians, gives the succeeding account:—"Their own is of two sorts, one white, which they make of the stem or stock of the periwinkle, when all the shell is broken off; and of this sort, six of their small beads, which they make with holes to string their bracelets, are current with the English for a penny. The second is black, inclining to blue, which is made of the shell of a fish, which some English call hens—poquahock; and of this sort, three make an English penny. One fathom of this their stringed money is worth five shillings."



## LIFE INSURANCE IN FRANCE.

SKETCH OF THE RECENT PROGRESS OF THE ASSURANCE OF LIFE AND PROPERTY ON THE CONTINENT. By SAMUEL BROWN, ESQ., *Member of the Council and one of the Honorary Secretaries of the Institute of Actuaries, and Actuary of the Mutual Life Assurance Society.*

THE first association in France of the nature of life insurance is to be attributed to Laurent Tontini, an Italian banker, who settled in Paris in 1653. In 1681 these institutions were prohibited by royal ordinance, as being illegal and contrary to public morality, on the ground that no value should be set on the life of a freeman, which is beyond all price. A new Tontine was established in 1759, but was suppressed by letters patent in 1770, to reappear in 1791 under the name of *Caisse Lafarge*.

In 1787, however, a company had been formed for the purpose of life insurance, on a plan similar to the English companies, under the name of the *Compagnie Royale d'Assurance*. The decree of the Conseil d'Etat authorized its perpetuity with a privilege for fifteen years. This decree recognizes the advantages which had been obtained in England from insurances on lives, — enumerates the various classes of insurances common amongst us in the present day, such as insurance for each sex and of every age, for the whole life, for terms of years, deferred annuities or sums, — and concludes “qu'enfin ces combinaisons variées liant utilement le présent à l'avenir ramèneraient ces sentiments d'affection et d'intérêts réciproques qui font le bonheur de la société, et en augmentent la force.” In spite, however, of the encouragement given by government authority to the general principles of life insurance, and which probably led to the rapid progress of the *Caisse Lafarge*, in which the large sum of £ 2,400,000 was embarked, that concern was so ill managed by the founders, that after some years it was utterly ruined, and a heavy loss sustained by the shareholders. Promises were held out which no existing table of mortality could justify. The future results were still more unfortunate, inasmuch as they gave a check to the system of life insurance in France, and threw over it a feeling of distrust and suspicion, from which it is feared it is only now fully recovering.

The first company which after this period attained any celebrity, and carries on business at the present day, was the *Compagnie d'Assurances Générales*, established in 1819; this was followed by the *Compagnie Royale* in 1820, and *L'Union* in 1829. In 1833 the *Banque Philanthropique* appeared; and subsequently several other *Compagnies*, entitled *Minerve*, *Banque Paternelle*, *Assurances Générales Réunies*, *Banque Nationale des Familles*, *Avenir*, *Banque Mutuelle d'Economie et de Prévoyance*, *Banque des Ecoles*, *Epargne*, *Providence*, *Salamandre*, *Banque Générale des Familles*, *Tontines de la Compagnie Royale*, *Alliance*, *Jeune France*, *Minerve Française*, *Philogène*, *Immortelle*, *Caisse Mutuelle d'Epargne*, — all, except the *Epargne*, having adopted the mutual principle more or less; but none, except the *Royale*, being authorized by government.

The system of inspection and control which was authorized by the Royal Decree of 1787 has been continued, with modifications, through successive governments, to the present day; as will be observed in the following general summary of the conditions which are required, when the draft of the statutes of the company proposed is presented to the Ministère du Commerce, before sending it to the Conseil d'Etat. The latter examine every clause, either in the relations of the members to each other, or of the manager to the members.

1. The subscriptions must be *bonâ fide*.
2. To prevent the heavy cost to a small number of individuals, no class, series, or society could be formed with less than ten members, who must join it within a year; if not, the subscriptions are void.
3. Estimates of tables for each are required, with the mortality tables on which the calculations are based, and the mean rate of interest; if approved of, the statutes contain the description of the table used, and also the rates annexed.
4. In case of non-payment of the subscription at the proper time, the fine imposed for the delay, depending on the mortality and an increased interest, with the time allowed for payment, must be stated.
5. The manager must not speculate on the lives of a series, or in the purchases or sale of annuities, except as a subscriber, like the rest.
6. Various checks are placed on the manager. He must give security in a minimum annuity of 5,000 francs (£200), of three per cent. annuities; the title of which is deposited at the Caisse des Dépôts et Consignations, in order to answer for the portion of the expenses to be returned, if the society should be dissolved before the time agreed upon. The security is progressive, increasing from £40 per annum three per cents for every £8,000 of annual deposits, up to £1,000 per annum three per cents, equal to £30,000 capital nearly.
9. The manager must convert into government funds all the subscriptions paid to him, within five days from their receipt.
8. A commission, composed of five members, is appointed by government to superintend the operation of the laws. They meet once a week at the Ministère du Commerce, and make a weekly report; in which they declare, besides their general remarks on the progress of the societies, that they have examined the sums paid by the subscribers, and have assured themselves of the conversion of the said funds into government annuities, by the examination of the receipts, &c.; and that they have also verified the policies granted, and ascertained that they were conformable to the statutes of the company.
9. The subscriptions must not be invested in the name of the manager, but in the name of the society, and of the particular class or series for whom they were paid. At the period of distribution, the government funds thus acquired are not to be realized, but subdivided into portions of the same annuities to the surviving members, by a decree for distribution obtained by the Conseil de Surveillance jointly with a subscriber of each class. It is only after this, that the different portion allotted to each member becomes salable; so that no large sum could be abstracted by any of the officers.
10. The interests payable to the society are paid on the receipt of the manager and one of the members of the Conseil de Surveillance, and must be invested within the same period and in the same manner as the subscriptions.
11. The Conseil de Surveillance is chosen from the members of each class, series, or society; and the members of it are consequently interested in seeing that all the proper formalities are complied with. They have the same powers as the government commissioners. The securities are deposited by them in a box, with two keys, of which the manager keeps one, and one of the members of the council the other.

Some such provisions as these are no doubt greatly for the interest of members; but the restrictions as to the investments of the funds would in this country interfere very much with the large bonuses now distributed in ready money.

The question which Office is preferable for a party desiring to insure



a given sum at a given date, or a sum increasing with the mortality of the members of the series which he joins, appears to be decided in France by referring him for the former business to a proprietary company, — for the latter, to a mutual company; as if there were an impression prevailing that the mutual company could not fulfil so hazardous an engagement. An individual, for instance, desiring to insure to his family the continuance of an annuity after his death, is advised to seek the proprietary company; and it is stated that he could not accomplish his object so effectually by his admission into a mutual company, because it would require a reserve to operate safely.

The same objections which mutual companies in this country offer to the large capital of proprietary companies, appear also to be urged in France. The proprietary companies, on the other hand, point out the disadvantage to which the mutual companies are exposed in being obliged to distribute stock, which at the period of distribution may be at a comparatively low price; though they might be met with the reflection, that the insurer with them would be placed in the same relative position, if their payment in money should be made to him when the prices of the fund are as comparatively high.

The first company established in France (omitting notice of the *Tontine Lafarge*, which differed from all existing companies) was the *Compagnie d'Assurances Générales*, a proprietary company; after that the *Royale*, *Union*, *France*, and *Phénix* adopted the same system. Though they were strictly proprietary companies, they voluntarily adopted the mixed system, returning to the insured a portion of the profits, but not sufficient to contend with the mutual companies. The *Royale* (now *Nationale*) has combined both systems of insurance which we have before described as peculiar to the different classes of companies. The mutual societies, however, have gained a very rapid development from what very much resemble *Tontines* in this country.

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**FIRE INSURANCE IN GERMANY.** — Fire insurance, in so far as the *private* companies (*Die Privatversicherungs Gesellschaften*) are concerned, is fully established in Germany, and in its management, with respect to the insured, is carried on in a spirit of justice and liberality, and knowledge of affairs, found in few other countries. From the very active competition which exists amongst the native companies, — not to speak of foreign companies to which the liberty of operation has been conceded, — it is almost generally taken advantage of by the population, with the exception only of the inhabitants of the chief towns in Austria; namely, Vienna, Prague, and Pesth; as also people of the fourth rank, being petty tradespeople, day-laborers, handicraftsmen, small cultivators of land, and cottagers; the first, because they are believed to dwell in fire-secure buildings; and the last, because, on account of their small property, the costs of insurance would come higher to their share than the just premiums, and they are impressed with the idea that they could not afford the outlay; neither does it happen that the companies seek to draw the latter to them, however great in other respects may be their hunting after insurance.

The condition of the German private insurance companies may in general be looked on as normal, though the pernicious custom "not to make the premium reserve dependent on a full and careful account, but on the close of the year to reserve an arbitrary sum," is not yet laid aside by two of the companies. — *London Assurance Magazine*.

## A D I G E S T

OF THE

## DECISIONS OF THE SUPREME COURT OF NEW HAMPSHIRE, RELATING TO BANKING, ETC.

## I. BANKS AND BANKING.

1. The cashier is a competent witness to prove that a note belonging to the bank was lost while he held his office. *Strafford Bank v. Cornell*, 1 N. H. R. 192.

2. Bank-bills may be attached, seized, and sold upon an execution. *Spencer v. Blaisdell*, 4 N. H. 198.

3. Bank-bills are not a legal tender. *Moody v. Mahurin*, 4 N. H. 296.

4. Where a cashier of a bank, chartered by an act of the legislature for twenty years, gave bonds, with sureties, for the faithful discharge of his duties, and remained in his office after a second act had continued the bank's charter twenty years longer, which act contained the further provisions, that there should be no division of the capital stock without the consent of the legislature; that the bank should not have in circulation, at any time, bills exceeding in amount the capital stock actually paid in; and that the violations of these provisions by any officer should subject the offender to a certain penalty; *Held*, that the bond of the cashier covered all the time he remained in office, and that the additional provisions of the legislature did not discharge the sureties. *Exeter Bank v. Rogers*, 7 N. H. 21.

5. Where a bank received a note from a debtor to collect, and apply the proceeds to the payment of his debts, due the bank, if the debt is lost by the negligence of the bank, it is tantamount to a receipt of the money by the bank, and ought to be considered as a payment *pro tanto* of the debts. *Exeter Bank v. Gordon*, 8 N. H. 66.

6. A compromise to secure part of a debt, made without authority, by a bank holding a note to collect and apply the proceeds to a debt due itself, renders the bank liable only for what it received, if it was advantageous to all the parties concerned. *Ibid.*

7. The cashier of a bank, for the purpose of collection, may indorse notes belonging to the bank, and those lodged there for collection, or as collateral security. *Elliot v. Abbot*, 12 N. H. 549.

8. But where a note made payable to a bank is discounted and taken by a third person, the cashier cannot make a valid indorsement of the note, without authority from the directors or from the corporation. The separate assent of a majority of the directors (without any meeting), that he should make an indorsement, confers no authority upon the cashier for that purpose. *Ibid.*

VOL. I.

53

## II. BILLS OF EXCHANGE AND PROMISSORY NOTES.

1. General Requisites.
2. Validity.
3. Consideration.
4. Construction.
5. Days of Grace.
6. When a Discharge of the Original Cause of Action.
7. Notes payable in Specific Articles.
8. Negotiability and Transfer.
9. Acceptance.
10. Presentment, Demand, and Notice.
  1. Necessity of.
  2. By whom to be made or given, when and where.
  3. Sufficiency of.
  4. Waiver of.
11. Protest.
12. Rights and Liabilities of the different Parties.
  1. In general.
  2. Of Indorsers, Guarantors, and Sureties.
13. Actions on Bills and Notes.
  1. When and by whom maintainable.
  2. When subject to Equities between other Parties.
  3. Defences.
14. Payment.
15. Pleadings and Evidence.
16. Damages.

## 1. General Requisites.

1. No particular form is necessary to constitute a negotiable promissory note. *Franklin v. March*, 6 N. H. 364.
2. The following words, "Oct. 19th, 1830, good to R. C. or order for thirty dollars borrowed money," constitute a negotiable promissory note. *Ibid.*
3. The words "value received" are not essential to a good note. *Ibid.*

## 2. Validity.

1. A material alteration of a note without the consent of the maker vitiates it. *Martendale v. Follet*, 1 N. H. 95; *Bowers v. Jewell*, 2 N. H. 543. *Aliter* if immaterial, or if made with the consent of the signers, or if afterwards ratified. *Ibid.*; *Humphreys v. Guillow*, 13 N. H. 385.
2. An infant's negotiable note is not void, but voidable. *Wright v. Steele*, 2 N. H. 51; *Orvis v. Kimball*, 3 N. H. 314; *Conn v. Coburn*, 7 N. H. 368; *Aldrich v. Grimes*, 10 N. H. 194.
3. Where both parties in a referee case agree that the referees shall write a note for the amount of the award, without either's knowing the contents, and the party liable shall sign his name to it, which is done; *Held*, that the note is valid. *Page v. Pendergast*, 2 N. H. 233.

4. The sale of elective and trust offices is contrary to sound policy, and a note given for the sum to be paid for such office is void. *Meredith v. Ladd*, 2 N. H. 517; *Carleton v. Whitcher*, 5 N. H. 196.

5. A note, given for money knowingly lent to be applied to any illegal purpose, such as to suppress a criminal prosecution, is void. *Plumer v. Smith*, 5 N. H. 553; *Clark v. Ricker*, 14 N. H. 44.

6. If a part of the consideration of an entire contract be illegal, the whole is void. *Carleton v. Whitcher*, 5 N. H. 196; *Hinds v. Chamberlin*, 6 N. H. 225; *Clark v. Ricker*, 14 N. H. 44.

7. A note given the selectmen of a town for the support of a pauper legally chargeable upon the town is valid. *Andover v. Grafton*, 7 N. H. 298.

8. A was accused by certain Massachusetts creditors of obtaining goods under false pretences, arrested by a requisition from the governor of that State, and detained till he paid half the debts and gave his notes for the balance; *Held*, that, if the process was used to compel a settlement, or if it was any part of the consideration upon which the settlement was made that the prosecution should be discontinued, the notes were void. *Shaw v. Spooner*, 9 N. H. 197.

9. A note made on Sunday, and given to an agent to deliver to the payee on the next day, and which was so delivered, does not constitute a valid contract. *Clough v. Davis*, 9 N. H. 500.

10. But a subsequent promise to pay ratifies the note, and renders the maker liable. *Ibid.*

11. A note given upon condition of laying out a highway is without consideration and void. *Dudley v. Cilley*, 5 N. H. 558.

12. Where such note is given from any intimation of the court that the securing of such sum might induce the court to regard the petition more favorably, and with a design to cause such result, such note will be equally without consideration and void. *Dudley v. Butler*, 10 N. H. 281.

13. It is not necessary that such intimation be formally given as the opinion of the court. If made by one member of the court, the others not dissenting, it will be regarded as expressing the views of the court, so far that, if acted upon, it will vitiate any note given in consequence of such suggestion. *Ibid.*

14. A note procured from a person by fear of imprisonment, where the warrant is illegal, is void. *Alexander v. Pierce*, 10 N. H. 494.

15. Where an alteration appears on the face of a promissory note, it will not vitiate the note if it is shown to have been made before its delivery to the payee, or with the assent of the maker. *Hills v. Barnes*, 11 N. H. 395.

16. Where a member of a firm, without the assent or authority of his partners, affixed the signature of the firm to a note, in payment of a prior note of his own, signed by himself and surety; *Held*, that such new note was wholly void against such partners. *Williams v. Gilchrist*, 11 N. H. 535.

17. A, being insolvent, compromised with his creditors by giving a note, signed by B, as surety, in full discharge of all demands against him, on condition that the other creditors assented thereto. Their as-

sent having been obtained, and security given them, and the creditors notified to fulfil the contract, *held*, that the contract was valid, and could not then be rescinded. *Browne v. Stackpole*, 9 N. H. 478.

18. Where a promissory note is given by an infant for articles, not necessities, which have been used or sold by him, an acknowledgment that he owes the debt, or a payment of a part of it, after he becomes of age, is not a sufficient ratification of the contract to render it valid. *Robbins v. Eaton*, 10 N. H. 561.

19. A note given in part to suppress a criminal prosecution, and in part for damages in a civil suit, is not void as against a *bonâ fide* indorsee, without notice, who took it before due. *Clark v. Ricker*, 14 N. H. 44.

20. The execution and delivery of a promissory note on Sunday is "business" of a person's "secular calling," and as such is prohibited under a penalty by the act of December, 24, 1799, and the note is void. *Allen v. Deming*, 14 N. H. 133.

21. Whether a note, given for the price of goods bought on Sunday, be void in the hands of an innocent indorsee, *quære*. *Ibid*.

22. The defendant bought a quantity of shingles on Sunday, and at the same time gave his promissory note to the seller for a part of the price. He permitted the shingles to remain with the seller for about a month, and then took them away. *Held*, that the contract was complete on Sunday, and was void. *Ibid*.

See *Consideration*, 1, 3, 12, 15, 17; *Construction*, 19.

### 3. Consideration.

1. Where the consideration for a note was a promise by the payee to the maker, that he would convey to the maker a certain lot of land, if he owned it, and if not, to buy it as cheap as possible, and let him have it at cost; and the payee died insolvent before the note became payable, without having obtained possession of the land; *Held*, that the consideration had failed altogether, and that the maker might treat the note as a nullity. *Tillotson v. Grapes*, 4 N. H. 444.

2. In cases where the court may in its discretion order a case to be brought forward at a subsequent term to save an attachment, a release of the attachment is a good consideration for a note. *Hacket v. Pickering*, 5 N. H. 19.

3. An agreement to receive the note of a third person (an infant) in satisfaction of a debt is without consideration and void. *Wentworth v. Wentworth*, 5 N. H. 410.

4. Interest is a good consideration for an agreement to give time of payment. *McQuesten v. Noyes*, 6 N. H. 19; *Bailey v. Adams*, 10 N. H. 162; *Merrimac Co. Bank v. Brown*, 12 N. H. 320; *Crosby v. Wyatt*, 10 N. H. 318.

5. When several persons agree to contribute to a common object, which they wish to accomplish, and give their notes for certain amounts, the promise of each is a good consideration for the promise of the others. *Cong. Soc. Troy v. Perry*, 6 N. H. 164; *George v. Harris*, 4 N. H. 533.

6. A guaranty of indemnity against a criminal prosecution is an unlawful contract, and does not furnish a good consideration for a note. *Hinds v. Chamberlin*, 6 N. H. 225 ; *Clark v. Ricker*, 14 N. H. 44.

7. Where one executes and delivers a note to another as a gift, and, having taken it up, executes a larger one to the same person also as a gift ; *Held*, that the giving up the first note constitutes no consideration for any part of the second. *Copp v. Sawyer*, 6 N. H. 386.

8. A note given for the amount of a conditional subscription to support a minister, according to terms specified in a written contract, has a sufficient consideration. *Cong. Soc. Troy v. Goddard*, 7 N. H. 430.

9. Where a lease still subsists in force after an assignment, subject only to be defeated on reëntry, the transfer of it furnishes a sufficient consideration for a note. *Spear v. Fuller*, 8 N. H. 174.

10. Where the holder of a note signed by a principal and surety, and containing a promise to pay interest, makes an agreement with the principal, after the note becomes due, to delay the payment for a specified time, in consideration that the principal promises to pay interest on the note for that period, without the knowledge or assent of the surety ; *Held*, that the agreement to pay the interest for such period furnishes a sufficient consideration for the promise to delay. *Bailey v. Adams*, 10 N. H. 162.

11. But a mere promise by the creditor to wait a certain time, without any promise of the principal to pay interest other than what is contained in the note, and without any consideration, does not constitute a binding agreement to delay. The promisor may in such case pay the note at any time, or the creditor may collect it, since there is no consideration for the promise. *Ibid.* ; *Wheat v. Kendall*, 6 N. H. 504.

12. Where a promissory note for the payment of a certain sum of money was executed for the purpose of indemnifying the payee against his liability as a surety for the maker on an administration bond, and to enable him to secure himself by an attachment of the property of the maker ; *Held*, that, though the payee at the time of its execution had not been damnified, yet the existing liability, with an implied promise to pay that amount upon the principal indebtedness, formed a sufficient consideration for the note, and that the contract was valid. *Haseltine v. Guild*, 11 N. H. 390.

13. But the payee will not be entitled to judgment upon it, for any greater sum than the amount he has paid, or assumed to pay, upon his liability as surety, prior to the judgment. Beyond that sum, if less than the amount of the note, the consideration must be deemed to have failed. *Ibid.*

14. Since the statute of Anne, a promissory note is placed on the same footing as a bill of exchange with regard to its importing a consideration, and the presumption of consideration stands until the contrary appears. *Horn v. Fuller*, 6 N. H. 511.

15. A note given for a patent right of an invention neither new nor useful is without sufficient consideration to sustain it, and is void. *Dunbar v. Marden*, 13 N. H. 311.

16. It is not necessary, in order to constitute a binding contract for

an extension of time, that there should be a contract to pay usurious interest. The ordinary legal interest, if secured to the creditor by a binding agreement for the delay of payment, is a sufficient consideration. *Fowler v. Brooks*, 13 N. H. 241.

17. The condition, that the prisoner give his own note for the amount of the fine and costs for which he stands committed, in order to procure his liberation, is not illegal, but such a note is founded on a good consideration, and is valid. *County of Strafford v. Jackson*, 14 N. H. 16.

See *Validity*, 6, 11, 12 ; *Construction*, 9 ; *Indorsers, Guarantors, and Sureties*, 2, 11, 12.

#### 4. Construction.

1. A note made in another State by citizens of that State, and also one payable generally, are governed by the *lex loci contractus* in an action upon it in New Hampshire. *Houghton v. Page*, 2 N. H. 42 ; *Douglas v. Oldham*, 6 N. H. 150 ; *Dow v. Rowell*, 12 N. H. 49 ; *Bank of Orange County v. Colby*, 12 N. H. 520.

2. The alteration of the date of a note from 1809 to 1819, though the note was executed in 1819, is material. *Bowers v. Jewell*, 2 N. H. 543.

3. If the holder of a note given for "merchantable neat stock" inserts the word "young," without the knowledge or consent of the promisor, it is a material alteration. *Martendale v. Follet*, 1 N. H. 95.

4. Where no particular person of the same name as the payee of a note has any interest in it, the name must be regarded as fictitious. *Foster v. Shattuck*, 2 N. H. 446.

5. In calculating the day of payment, the day of date is generally excluded, where a note is made payable in a given number of days. *Leavitt v. Simes*, 3 N. H. 14 ; *Rand v. Rand*, 4 N. H. 267.

6. A gave his note, payable to B, or order, at the decease of his own wife, before which event he died insolvent ; *Held*, that the note constituted a present debt payable at an uncertain future time, and that it was not payable on such a contingency as to warrant the commissioner in rejecting it. *Alexander v. Follet*, 5 N. H. 499.

7. It was held that the words, "out of any property I may possess," in a note of the following import: "I promise to pay \$200 in two years, with interest, out of any property I may possess, my body being at all times exempted from arrest," — were not intended as a qualification of the promise to pay, but as a reservation collateral to the promise, and intended to confine the remedy upon the note to the property of the defendant. *Chickering v. Greenleaf*, 6 N. H. 51.

8. A note payable "in good leather, such as suits," is payable in such leather as suits the payee. *Bailey v. Simonds*, 6 N. H. 159.

9. Where the consideration of a note is composed in part of a guaranty of indemnity against a criminal prosecution, and in part of the costs of a civil suit to recover damages for private injuries, there being no evidence showing an intended division of the consideration ; it was held, that the contract was entire. *Hinds v. Chamberlin*, 6 N. H. 225 ; *Clark v. Ricker*, 14 N. H. 44.

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10. Where to a regular note on demand, with interest, a memorandum was attached, that the maker would receive payment of the note in work, if done within six months at fair prices, and there was no evidence that the work was performed as agreed, or of any offer of performance; *Held*, that the instruments were not to be construed together. *Odiorne v. Sargent*, 6 N. H. 401.

12. The passing a counterfeit bank-bill, purporting to be a bill of a bank established within the United States, is not the passing a counterfeit promissory note within the meaning of the eighteenth section of the statute of January 2, 1828. *State v. Ward*, 6 N. H. 529.

13. A note signed by one only of the selectmen of a town, in his own name, "for the selectmen," is not the note of the town, though he prove the assent of a second selectman to his giving the note. *Andover v. Grafton*, 7 N. H. 298.

14. In an action upon a note payable in labor, as, for instance, "For value received, I promise to pay A the tanning of eight tons of hides, to be tanned annually; one ton in 1834, two in 1835, &c."; *Held*, that the word "annually" referred to the years named, and that the hides must be furnished in time to have the labor performed within the years specified. *Clement v. Clement*, 8 N. H. 210.

15. Every indorsement of a bill or note may be considered as a new bill drawn by the indorser on the acceptor. *Carter v. Burley*, 9 N. H. 558.

16. Where the parties to a bill of exchange reside in the same State, it is an inland bill. *Ibid.*

17. Bills drawn by the inhabitants of one State upon those of another are foreign bills. *Ibid.*; *Woodman v. Eastman*, 10 N. H. 359; *Grafton Bank v. Moore*, 14 N. H. 142.

18. Where a note, made by a resident of one State and payable to a resident of another, is indorsed, if the indorsement can be regarded as a bill, it will be deemed a foreign bill. *Carter v. Burley*, 9 N. H. 558.

19. The insertion in a note of the words "or order" by the maker, without the consent of the surety, is a material alteration, and renders it void in the hands of an innocent indorsee, as against the surety. *Haines v. Dennett*, 11 N. H. 180.

20. In the absence of all evidence, either from the appearance of a note itself, or otherwise, to show when an alteration was made, it must be presumed to have been made subsequent to the execution and delivery of such note. *Hills v. Barnes*, 11 N. H. 395.

21. Where a note is indorsed in a different government from that in which it was given, the indorsement is a new and substantive contract; and, as betwixt the indorser and indorsee, is subject to the laws of such government; but such indorsement cannot change the original liability of the promisor. *Dow v. Rowell*, 12 N. H. 49.

22. If a note, signed by several, be written "I promise," a change of the word "I" into "we" is a material alteration. *Humphreys v. Guillow*, 13 N. H. 385.

23. A written promise to pay the plaintiff or his order seventy-five dollars, in grain, is not a negotiable promissory note. *Carleton v. Brooks*, 14 N. H. 149.

See *Consideration*, 6, 11.



5. *Days of Grace.*

See *Presentment, Demand, and Notice, By whom to be made or given, &c.*, 3-7; *Sufficiency of*, 4; *Protest*, 1.

6. *When a Discharge of the Original Cause of Action.*

1. A promissory note is not a discharge of a debt and cause of action, without an express agreement to that effect. *Cheever v. Mirrick*, 2 N. H. 376; *Wright v. First Crockery Ware Co.*, 1 N. H. 281; *Jaffrey v. Cornish*, 10 N. H. 505.

2. The agent of a corporation made a settlement with the plaintiff of an account against the corporation, and gave him his own negotiable note for the amount thereof. The corporation afterwards, in a settlement with their agent, credited him with the amount for which he had given his note to the plaintiff. The agent, having become insolvent, sued the corporation to recover the original debt against them. *Held*, that, as the corporation had been induced, on account of the settlement between the plaintiff and the agent, to carry that sum to his credit, the debt must be considered as paid, and the plaintiff was not entitled to recover. *Wright v. First Crockery Ware Co.*, 1 N. H. 281.

3. An infant's note for necessities is not a discharge of the debt unless paid. *McCrillis v. Howe*, 3 N. H. 348; *Conn v. Coburn*, 7 N. H. 368.

4. Where a member of a firm, without the assent or authority of his partners, affixed the signature of the firm to a note, in payment of a prior note of his own, signed by himself and surety; *Held*, that the original note remained undischarged by such attempted payment, and that its amount might be recovered in an action against the principal and surety for money had and received. *Williams v. Gilchrist*, 11 N. H. 535.

5. Where a person gave a negotiable note to a town for the amount of a tax assessed against him, *held*, that the note was not a payment of the tax, within the meaning of the statute, so as to give him a settlement in that town. *Jaffrey v. Cornish*, 10 N. H. 505.

6. Such note would not be a payment of the tax, even if it had been expressly agreed to be received in payment. *Ibid*.

See *Actions, When and by whom maintainable*, 9.

7. *Notes payable in Specific Articles.*

See *Actions, When and by whom, &c.*, 7; *Pleadings and Evidence*, 16.

8. *Negotiability and Transfer.*

1. A note once paid ceases to be negotiable. *Bryant v. Ritterbush*, 2 N. H. 212; but see *Cochran v. Wheeler*, 7 N. H. 202.

2. Every negotiable note must be negotiated by the person (or his representative) to whom the note was made payable, and not by a person of the same name. *Foster v. Shattuck*, 2 N. H. 446.

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3. Where a note has been once paid, it ceases to be negotiable, except as against those by whom a new indorsement has been made, and such parties as are not prejudiced by the transfer. *Cochran v. Wheeler*, 7 N. H. 202; *Davis v. Stevens*, 10 N. H. 186.

4. The payee of a bill or note, payable to order, may transfer it by delivery only, so as to enable the assignee to maintain an action upon it in his name. *Davis v. Lane*, 8 N. H. 224; *Foster v. Shattuck*, 2 N. H. 446.

5. Where a negotiable note is indorsed *bonâ fide* before it is due, in payment of a precedent debt, without notice of any defence existing against it, the transfer is as valid, perfect, and effectual as if it had been received in payment for goods sold, or in the course of any other commercial dealing. *Williams v. Little*, 11 N. H. 66.

6. But where a note is indorsed and transferred as in pledge merely, as a collateral security, the general property remaining in the indorser, the indorsee takes it like a chose in action not negotiable, subject to any defence that might be made to it in the hands of the indorser, arising prior to the time when notice is given of the indorsement. *Williams v. Little*, 11 N. H. 66.

7. Where the defendant placed a negotiable note in the hands of an individual as trustee, to be disposed of, first to pay certain claims, and to appropriate the balance as he thought best; the reason assigned for this disposition being that the defendant was sick and not expected to live; *Held*, on the defendant's subsequent recovery, that the transfer of the note was based on a contingency which did not occur, and that the defendant might legally control the note, if not already disposed of. *Paul v. Paul*, 10 N. H. 117.

8. Where a man's wife, who had acted for several years as his general agent in transacting his business, delivered to the defendant his own note in payment of a debt due him from her husband, on the day of her husband's decease, and when he was entirely senseless, and no hopes entertained of his recovery, his situation being known to all parties; *Held*, that the transfer was not valid, and that the defendant acquired no title to it thereby. *Davis v. Lane*, 10 N. H. 156.

9. F. held a note against L., the defendant, and, being indebted to P., had expressed an intention of delivering the note to P. as security for the sum he owed him. Subsequent to this, F. being on his death-bed and insensible, his wife delivered the note of L. to P., and P. gave up his claim against F., and gave a note payable to F. for the balance, which was delivered to his wife. L., with a knowledge of these facts, paid the contents of the note to P. *Held*, that, as F. had never carried his intention of delivering the note to P. into effect, nor authorized any one to do it, no title passed to P., and that the payment by L. to him did not discharge the note, and that it was not necessary, in order to the administrator's sustaining a suit upon the original note, that the one P. gave for the balance should first be returned to him. *Davis v. Lane*, 11 N. H. 512.

See *Rights and Liabilities, In general*, 8; *Actions, When and by whom maintainable*, 30.

9. *Acceptance.*

See *Presentment, Demand, and Notice, Necessity of*, 8.

10. *Presentment, Demand, and Notice.*

1. Necessity of.
2. By whom to be made or given, when and where.
3. Sufficiency of.
4. Waiver of.

1. *Necessity of.*

1. Demand upon the maker, and notice to the indorser, are necessary to support an action upon a note payable at a future time, indorsed after it becomes due. *Dwight v. Emerson*, 2 N. H. 159.

2. What demand and notice are necessary in such cases, *quære*. *Ibid.*

3. It is not necessary to prove a demand, at the particular time and place, to maintain an action on a note made payable at a particular time and place. *Eastman v. Fifield*, 3 N. H. 333; *Otis v. Barton*, 10 N. H. 433.

4. Where the maker of a note is absent on a sea voyage when it becomes due, but has a domicile within the State, a demand of payment must be made to charge the indorser. *Dennie v. Walker*, 7 N. H. 199.

5. Demand upon the maker of a note who has removed out of the State before it became due, no place of payment being specified in the note, is unnecessary. *Upham, J. Ibid.*

6. Where drafts were duly presented and protested for non-acceptance, and notice of the non-acceptance given to the indorser; *Held*, that, the acceptance having been refused, it was not necessary to present them for payment. *Exeter Bank v. Gordon*, 8 N. H. 66.

7. Where a note is made payable in a particular town, the holder is not bound to make a demand elsewhere; nor is he bound to give notice to one of the makers, who lives in another town, at what place he will be ready to receive payment. *Smith v. Little*, 10 N. H. 526.

8. The drawer of a bill of exchange which has been duly accepted is liable only upon due presentment to the acceptor for payment, and notice of the non-payment; unless he has in some way waived his right to insist upon demand and notice. *Moore v. Waitt*, 13 N. H. 415.

9. His liability is not changed by a notice, when the bill is drawn, that it will be discounted or left for collection at a certain bank in the vicinity, where the usage is not to make presentment when the bill becomes due, but to give notice to the acceptor and drawer. *Ibid.*

10. In order to charge the indorser of a promissory note, a demand of payment must be made upon the maker; and notice thereof, and of the non-payment of the note, and that the holder relies upon the indorser for payment, must be seasonably given to him, or a waiver of demand and notice, or sufficient ground of excuse, must be shown. *Lawrence v. Langley*, 14 N. H. 70.

11. It is not a sufficient ground of excuse that the promisor is bankrupt or insolvent at the maturity of the note. *Ibid.*

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2. *By whom to be made or given, when and where.*

1. A holder of a bill may forward a notice on the day of its dishonor, and any prior party may transmit a notice on the day he receives it; and should any party do so, it will not enlarge the time allowed to any other party. *Carter v. Burley*, 9 N. H. 558.

2. A power of attorney to one, to demand payment of a promissory note, is determined by the death of the principal before the demand is made, and a demand made by him after the death of a principal is of no avail. *Gale v. Tappan*, 12 N. H. 145.

3. A note was made and dated at Boston, payable in twelve months. It was indorsed and held by a bank in Vermont. At the end of the twelve months a demand was made upon the maker, residing in Maine, and notice given to the indorser in this State. By the law of Massachusetts, the maker was entitled to grace. *Held*, that the demand was premature, and that the indorser was not liable. *Bank of Orange Co. v. Colby*, 12 N. H. 520.

4. Where the holder and maker of a note live in different towns, in order to render the indorser liable, demand must be made on the maker as soon after the note becomes due as can conveniently be done, considering the situation of the parties, and the frequency of communication between their places of residence. *Haddock v. Murray*, 1 N. H. 140.

5. The same rule exists as to the giving notice to the indorser. *Ibid.*

6. When the facts as to the situation, distance, &c. of the parties are agreed upon, or are found by the jury, the seasonableness of the demand becomes a question of law. *Ibid.*

7. Notice of dishonor may be put into the post-office, after non-payment on the last day of grace. *Smith v. Little*, 10 N. H. 526.

8. A notice to the indorser prior to the demand upon the maker, or prior to the maturity of the note, is invalid. *Lawrence v. Langley*, 14 N. H. 70.

See *Necessity of; Sufficiency of; Protest*, 1; *Indorsers, Guarantors, and Sureties*, 20.

3. *Sufficiency of.*

1. Where a note was left for collection at a bank near the house of the maker, and a letter informing him of its location, and requesting payment, was sent on the day it became due; *Held*, that the demand was sufficient, though the note was not sent, and the maker was absent on the delivery of the letter. *Tredick v. Wendell*, 1 N. H. 80.

2. Where the holder and maker resided in different towns, about fifteen miles from each other, and there was no direct communication between the towns by mail, *held*, that a demand upon the maker on the eighth day after the note became due, and notice to the indorser on the same day, were sufficient. *Haddock v. Murray*, 1 N. H. 140.

3. In an action upon a note on demand, payable at a fixed time with grace, *held*, that a demand made before the last day of grace is made before the note is due, and is insufficient to charge the indorser. *Leavitt v. Simes*, 3 N. H. 14.

4. Notice of the non-payment of a note, given to the indorser prior to a demand upon the maker on the last day of grace, is insufficient, unless sustained by some different usage assented to by the party to the bill or note. *Dennie v. Walker*, 7 N. H. 199.

5. Notice to the different parties, of the dishonor of a bill or note, is sufficient, if put into the post-office in time for the next mail. *Carter v. Burley*, 9 N. H. 558.

6. The notice from one indorser to another, also, sent the day after he receives it, or, in the use of reasonable diligence, by the second day's mail, is sufficient. *Ibid.*

7. If some of the makers reside in the town in which the note is made payable, it is sufficient for the holder to present it at their place of business, unless the other maker, who resides elsewhere, gives notice at what place in that town he will be ready to pay it. *Smith v. Little*, 10 N. H. 526.

8. There is no form prescribed for a notice to an indorser of the non-payment of a note. A notice which sets forth the amount of the note, with the parties, its date, and when payable, that it had been protested for non-payment on that day, and that the holder requires payment of the indorser, is sufficient. *Ibid.*

See *Pleadings and Evidence*, 105-107.

#### 4. Waiver of.

1. If the indorser of a note, knowing that he has not had regular and seasonable notice of non-payment, makes a subsequent promise to see the note paid, it constitutes evidence of a waiver of the want of due notice. *Ladd v. Kenney*, 2 N. H. 340. This commented on in *Farrington v. Brown*, 7 N. H. 271.

2. It must be shown affirmatively that the indorser knew that no demand had been made upon the maker at the time of the promise to pay, in order to constitute a waiver of the consequences of the want of demand. *Otis v. Hussey*, 3 N. H. 346; *Farrington v. Brown*, 7 N. H. 271.

3. A gave B, for a debt due him, the note of C payable to A or bearer at a future day, and indorsed by A. Before it became due, C failed, when A told B that he should have no trouble about the note, for he would pay it. *Held*, that the promise was a waiver of demand and notice. *Whitney v. Abbot*, 5 N. H. 378.

See *Pleadings and Evidence*, 52.

#### 11. Protest.

1. Notice may be given and suit brought against the indorser on the last day of grace, after protest has been made, the note being then considered dishonored. Upham, J. *Dennie v. Walker*, 7 N. H. 199.

2. A protest is to be made according to the laws of the place where the demand is made, and at the time. *Carter v. Burley*, 9 N. H. 558.

3. The notarial seal is *prima facie* evidence that the protest is in due form, though not made on wax. *Ibid.*

4. But if the protest is not made by a notary, or not under seal, it must be shown to be duly made. *Ibid.*

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5. The protest of an inland bill is incompetent evidence of its being dishonored. *Ibid.*

6. The protest of a foreign bill by a notary public at the place of payment, and duly authenticated, is regular evidence of its dishonor. *Ibid.*; *Woodman v. Eastman*, 10 N. H. 359.

7. A bill of exchange, the parties to which reside in this State, but which is payable in Boston, is so far a foreign bill, that the notarial protest in Boston is competent evidence here to prove its presentment and dishonor. *Grafton Bank v. Moore*, 14 N. H. 142.

8. When the indorser of a note resides in one State, and the maker in another, the operation of the indorsement is so far similar to the drawing of a bill of exchange, that, in an action against the indorser, the dishonor of it may be proved by a protest. *Williams v. Putnam*, 14 N. H. 540.

9. But previous to the adoption of the Revised Statutes a protest was not evidence that notice of the dishonor was given to the indorser. *Ibid.*

## 12. Rights and Liabilities of the different Parties.

### 1. In general.

### 2. Of Indorsers, Guarantors, and Sureties.

#### 1. In General.

1. Where A and B drew a promissory note for \$20, payable to a third person, and B, having taken it to pass to the payee, before delivering it, and without the knowledge of A, changed it to \$120 by inserting the words "one hundred and" before the "twenty"; *Held*, that A was not obliged to pay the note. *Goodman v. Eastman*, 4 N. H. 455.

2. A as principal, and B, C, and D as sureties, made a note payable to the bank. A afterwards paid one half of the note, and B and D paid the balance in equal shares. B then brought an action against C, and, receiving judgment for one third of the sum paid by himself and D, refunded to D one half of the amount recovered. B then pursued A, and obtained from him two thirds of the sum paid by him and D, and gave him a discharge for his own and D's portion without D's authority. *Held*, that the money might be considered as paid by B, although one half was furnished by D. *Messer v. Swan*, 4 N. H. 481.

3. A, possessing two notes on demand, gave them to B to collect ten months after they were due. B delivered the notes to C in payment of a debt, and C received the money therefor. A brought an action against C for the amount of the notes. *Held*, that the notes were dishonored when C took them, and therefore he became the agent of A, and must deliver the money to him. *Emerson v. Crocker*, 5 N. H. 159.

4. A trustee who has given a negotiable note to the principal cannot be charged as trustee on account of such note. *Stone v. Dean*, 5 N. H. 502.

5. But if a note has been placed by the principal in the hands of a trustee, such trustee may be charged for the amount. *Ibid.*

6. A, wanting money from a bank, applied to B and C to become his sureties. B agreed in the presence of C to do it, if A would double the amount and give him half. The note was signed by A, B, and C, and discounted. B received half the sum obtained, and gave his note for it



to A. C paid the note, and, in an action against B, it was *held*, that B, in respect to C, was a principal, and liable for the whole amount. *Jones v. Fitz*, 5 N. H. 444.

7. A covenant not to sue one of two or more joint and several promisors, who are principals upon a note, will not operate as a release, so as to discharge the other signers. *Durell v. Wendell*, 8 N. H. 369.

8. If the maker of a note not negotiable makes no objection when the assignee informs him that he has received it from the original holder, his silence gives consent, and he is estopped from objecting to the transfer. *Clement v. Clement*, 8 N. H. 472; *Albee v. Little*, 5 N. H. 277.

9. A note given by one of two partners, in the name of both, will bind both, when authority is shown to execute the note. *Alcott v. Little*, 9 N. H. 259.

10. Where the liability of one joint maker of a promissory note is continued, by partial payments within six years, but the remedy of the holder against the other is barred by the statute of limitations, the debtor who continues liable may, notwithstanding, recover a contribution from the other, when he has paid the debt. *Peaslee v. Breed*, 10 N. H. 489.

11. Neither the administrators nor the creditors of deceased persons are entitled to derive greater or other benefits from their contracts, or equitable relations which they may have held while living with other persons, than the deceased would be entitled to, if still living. *Fletcher v. Grover*, 11 N. H. 369.

12. A. and G. purchased a tract of land, and for a part of the purchase-money gave their joint note to the seller, and for the amount of the remainder of the purchase-money they gave their joint note to the New Hampshire Savings Bank, and executed a mortgage of said land to the seller, and another to said bank, to secure to each the notes given to them respectively. A. died, and upon the representation of the insolvency of his estate, and the appointment of a commissioner to allow and adjust the claims of creditors against the same, the said notes were presented and allowed, amounting to \$2,996. And afterwards a dividend of \$314.82 was decreed upon the sum so allowed and ordered to be paid, and was paid by the plaintiff accordingly, and the plaintiff, as the administrator of A., brought his action to recover of G. contribution to the amount of one half of the dividend paid. *Held*, that the plaintiff was not entitled to recover, inasmuch as the sum paid was less than a moiety of the whole sum due upon the notes, and for which the defendant and intestate were jointly liable. *Ibid*.

13. Where the defendant had affixed his name on the back of a promissory note, when made, drawn payable to the plaintiffs or their order, but which had not been indorsed by them; *Held*, that the defendant thereby rendered himself liable as an original promisor, and not as an indorser. *Martin v. Boyd*, 11 N. H. 385.

14. The rule of law seems to be, that where joint promisors or co-sureties have received equal benefits, or been relieved from common burdens, each is entitled to recover over against the other contribution for the excess by him paid beyond his due proportion, or equal share. *Boardman v. Paige*, 11 N. H. 431.

15. Where an action is commenced by the holder of a note against all the co-signers, and judgment is recovered against one only, upon payment of the damages and costs of the judgment, the party against whom the judgment is recovered is not entitled to contribution from the other co-signers in respect of the costs, the same not being a burden common to all the co-signers of the note. *Ibid.*

16. The discharge of the direct liability of one co-signer to the holder of a note will not avail him as a discharge from his liability for contribution to the other co-signers, unless the discharge be of a character to discharge and release the others also, and one of which they might avail themselves as a discharge, whether the discharge from the direct liability be the result of the contract of the holder of the note, or of the operation of the statute of limitations. *Ibid.*

17. And generally it would seem that, so long as the direct liability of any of the co-signers of a note to the holder or promisee shall continue, by virtue of the original contract, and not depending upon any new promise not contemplated by the original contract, the liability of the other co-signers for contribution will continue also, although they may be discharged from direct liability to the action of the holder or promisee. *Ibid.*

18. An exception to that general rule may be found to exist, depending upon the provisions of special statutes, as in the case of acts of bankruptcy or insolvency, in which, at the same time that it is provided that the direct liability of the bankrupt or insolvent to the promisee shall be discharged, provision is also made for the limitation of the remedy of sureties, or co-promisors, to the assets in the hands of the assignees. *Ibid.*

19. Where there are several co-signers of a note, and one pays the whole, but before payment some of the co-signers remove from the State, such removal is to be considered as having the same effect as if they were proved insolvent; and accordingly the party paying is not bound to seek his remedy against those co-signers in the foreign jurisdiction, but may recover, by way of contribution of each of those remaining within the State, an equal share of the whole sum paid.

20. A principal accepted bills of exchange, drawn on him by his agent, payable to the order of the agent, who agreed to get them discounted for the benefit of the principal. The agent, assuming to be the owner of the bills, pledged them to a *bonâ fide* holder, to secure money borrowed for his own use. Held, that the principal, having enabled the agent to hold himself out as owner, was bound by the pledge. *Clement v. Leverett*, 12 N. H. 317.

21. Where a creditor has a mortgage to secure two or more notes, on some of which the mortgagor is principal alone, and on another he is joint principal with another person, the creditor cannot apply the proceeds of a sale of the mortgaged premises in payment of the whole of the note in which the two are joint principals, to the prejudice of the sureties on the other notes. The law will apply the property in the first place to the payment of the actual debt of the mortgagor. *Merrimac Co. Bank v. Brown*, 12 N. H. 320.



22. Whether the creditor might not apply the proceeds, in the first instance, in discharge of one half of the note on which the mortgagor was joint principal with the other, *quære*. *Ibid*.

23. The defendant pledged, as collateral security for a debt due the plaintiff, two notes, which the plaintiff was to collect, and deduct therefrom the sum due him. The maker possessed ample property at the time, but the plaintiff delayed enforcing judgment for five months, when the maker became insolvent. It was not suspected that he was embarrassed, nor did the defendant request the plaintiff to collect the notes. *Held*, that the plaintiff was not chargeable with their amount. *Goodall v. Richardson*, 14 N. H. 567.

24. Where notice was given, and execution was recovered against the promisor of a note, and he subsequently took the poor debtor's oath on the same, but gave no notice to the assignee; *Held*, that the discharge was invalid. *Cameron v. Little*, 13 N. H. 23.

See *Payment*, 9.

## 2. Of Indorsers, Guarantors, and Sureties.

1. Where the defendant, some months after the execution of a note made by other persons, at their request, wrote his name upon the back of the note and said he was holden, and the payee afterwards wrote a guaranty of payment of the note over the name of the defendant; *Held*, that the undertaking by the defendant was collateral to the original contract, and was a promise to pay an existing debt of another, and that it was not a memorandum signed by the party or his agent, within the meaning of the statute of frauds. *Hodgkins v. Bond*, 1 N. H. 284.

2. Where a guarantor wrote upon a note, "I guaranty the payment of the contents of the within note, the one half in six months, and the other in twelve"; *Held*, that the forbearance of the holder was a sufficient consideration for the guaranty, and that the memorandum was not within the statute of frauds. *Nelson v. Sanborn*, 2 N. H. 413.

3. The surety is not discharged by the neglect of the holder of a note to call upon the principal for payment at his request, even if the principal afterwards becomes insolvent. *Townsend v. Riddle*, 2 N. H. 448; *Davis v. Huggins*, 3 N. H. 231; *Mahurin v. Pearson*, 8 N. H. 539.

4. As soon as the debt becomes due, the surety may pay it, and have at once a remedy against the principal, and also against his co-surety, without proving the inability of the maker to pay. *Odlin v. Greenleaf*, 3 N. H. 270; *Grafton Bank v. Woodward*, 5 N. H. 99.

5. A surety may be considered and treated as the maker of a note by those who have no knowledge of his true character. *Grafton Bank v. Kent*, 4 N. H. 221; *Nichols v. Parsons*, 6 N. H. 30.

6. But he is discharged if the holder, knowing he is only surety, gives time of payment to the maker without his consent. *Grafton Bank v. Woodward*, 5 N. H. 99; *Same v. Kent*, 4 N. H. 221; *Nichols v. Parsons*, 6 N. H. 30; *Wheat v. Kendall*, 6 N. H. 504; *Bowman v. Noyes*, 12 N. H. 302; *Bailey v. Adams*, 10 N. H. 162; *Crosby v. Wyatt*, 10 N. H. 318; *Merrimac Co. Bank v. Brown*, 12 N. H. 320.

7. Whatever payment one surety may receive from the principal

enures to the benefit of all ; but this rule does not apply to money received by one surety in satisfaction of his claims against the principal, after the sum paid for the principal is adjusted among the sureties, and each has paid his proportion. *Messer v. Swan*, 4 N. H. 481.

8. A, being indebted to B, agreed to sign a note for the sum due. C and D consented to become his sureties. A note was written, naming A as principal, and C and D as sureties. A and C signed it, but D refused. E received it, without the consent of C, under a full knowledge of all the circumstances. *Held*, that C was not bound to pay the note. *Hill v. Sweetser*, 5 N. H. 168.

9. One surety is entitled to the benefit of any security possessed by a co-surety. *Low v. Smart*, 5 N. H. 353.

10. Where the defendants gave a note, on account of an absentee, who promised to repay the money on his return ; but when he offered to pay, the plaintiff, being acquainted with the whole transaction, gave him time ; *Held*, that the defendants are entitled to stand on the ground of sureties in respect to the plaintiff, in the same manner as if the absentee's name was on the note as principal. *McQuesten v. Noyes*, 6 N. H. 19.

11. A purchased a note, signed by B and C, before it became due, without knowing that C was surety ; but after the note was due, with full information of the fact, he, in consideration of extra interest, contracted with B to give delay of payment without C's consent ; *Held*, that C was thereby discharged. *Wheat v. Kendall*, 6 N. H. 504.

12. A contract founded upon a promise of the principal to pay more than legal interest for delay of payment is upon a sufficient consideration to discharge a surety. *Wheat v. Kendall*, 6 N. H. 504.

13. If no demand is made upon the maker of a note, who is absent on a sea voyage at the time of its maturity, but has a domicile in the State, the indorser is discharged. *Dennie v. Walker*, 7 N. H. 199.

14. Where there has been no demand of payment upon the maker of a note, or notice given to the indorser, *held*, that the indorser is not holden upon a subsequent promise (even in writing) to pay the same, unless it be clearly shown that the promise was made with a full knowledge of the neglect of a demand and notice. *Farrington v. Brown*, 7 N. H. 271 ; *Woodman v. Eastman*, 10 N. H. 359.

15. Where an infant gives, for necessities, a promissory note, signed by himself and a surety, and the surety afterwards pays the note, he is entitled to recover of the infant the amount so paid. *Conn v. Coburn*, 7 N. H. 368.

16. A gave his note to B, signed by C as surety, and, having made his will and appointed his executor, soon after died. C paid the note, which had not been presented to the executor within two years after the death of the testator. *Held*, that, though no action could be maintained upon the note against the executor at the time C paid it, still C remained liable upon it, and that he is entitled to recover whatever he paid to discharge himself from his liability. *Sibley v. McAllaster*, 8 N. H. 389.

17. Where the surety of a note told the holder that he desired the

note sued as soon as it was due, for he did not wish to stand surety for the maker longer, and the maker told him that part had been paid and arrangements made for the remainder, and that he would not call on him, or something to that effect; *Held*, that the surety was not discharged. *Mahurin v. Pearson*, 8 N. H. 539.

18. If a surety assent to an agreement for delay, he will still continue liable on the note. But the assent of one surety to a contract for delay will not bind a co-surety, and one may be discharged by such contract, while the other continues liable. *Crosby v. Wyatt*, 10 N. H. 318.

19. If the indorsee of a note, after a demand upon the maker, and notice to the indorser, for a good consideration agree with the maker not to sue the note or attempt to collect it for a certain period, that will discharge the indorser. *Woodman v. Eastman*, 10 N. H. 359.

20. An indorser of a note, who received a mortgage of the maker for its security, is, notwithstanding, entitled to require proof of demand and notice. *Ibid*.

21. It would seem that a discharge of one surety discharges the other sureties from such portion only of the debt as, upon a payment of the whole debt, they would be entitled to have recourse to him for. *Fletcher v. Grover*, 11 N. H. 368.

22. When joint promisors, or co-sureties, have received equal benefits, or been relieved from common burdens, neither is entitled to recover over against another, except for the excess paid by him beyond his due proportion, or equal share. *Ibid*.

23. Where a member of a firm, without the assent or authority of his partners, affixed the signature of the firm to a note, in payment of a prior note of his own, signed by himself and surety; *Held*, that such an attempted arrangement operates as no delay of payment, and will not exonerate the surety. *Williams v. Gilchrist*, 11 N. H. 535.

24. Where a surety is discharged by a contract for delay, made between the creditor and the principal without his assent, his subsequent promise to pay the debt, without knowledge of the circumstances, and without any new consideration, will not bind him. *Merrimac Co. Bank v. Brown*, 12 N. H. 321.

25. The indorser of a negotiable note cannot maintain an action upon it against the maker so long as the indorsee has the right to demand payment of the maker. If the indorsee have obtained judgment against the indorser, and collected part of it, that will not entitle the indorser to maintain an action upon the note against the maker. *Little v. Ingalls*, 13 N. H. 44.

26. If a surety, with knowledge of an agreement for an extension of time made between the creditor and the principal, make a new promise to pay the debt, he cannot afterwards avail himself of the agreement as a discharge of his liability, notwithstanding there was no new consideration for his promise. *Fowler v. Brooks*, 13 N. H. 240.

27. But the mere fact that the surety takes security from the principal to indemnify him against his liability is not a renewal of his promise. *Ibid*.

28. An application for delay for a time by the principal, and a declaration by the creditor that the matter may rest, or that he will not insist on any immediate payment, or any similar declaration, even specifying a time, does not constitute a binding agreement for delay. Notwithstanding such an agreement, a debtor may pay, and a creditor collect, at any time. *Fowler v. Brown*, 13 N. H. 241.

29. But an agreement that the creditor will delay the collection for a certain period, in consideration of which the debtor agrees that he will pay interest for that period, constitutes a binding agreement, which will operate to discharge the surety. *Ibid.*

30. The maker of a note, upon which there was a surety, at or near the time it became due, requested the payee to receive a certain sum in part payment of it. The payee declined to receive it, saying that he had no use for it then, but that he had a payment to make in about six months, when he would take it. At the end of six months, the note being unpaid, the payee received of the maker a sum in part payment. *Held*, that the transaction did not amount to an agreement to give the principal time, and that the surety was not discharged. *McCann v. Dennett*, 13 N. H. 528.

31. The payee of a written promise to pay seventy-five dollars in grain, does not become liable as an indorser by writing his name on the back of such an instrument. *Carleton v. Brooks*, 14 N. H. 149.

See *Consideration*, 10, 12, 13; *Rights and Liabilities, In General*, 14; *Actions, when and by whom maintainable*, 25; *Pleadings and Evidence*, 1, 14, 17, 22, 32, 43, 66, 67, 68, 75, 112.

### 13. *Actions on Bills and Notes.*

1. When and by whom maintainable.
2. When subject to Equities between other Parties.
3. Defences.

#### 1. *When and by whom maintainable.*

1. A, having made a note to B or order, payable at a fixed future time, attached to it an agreement signed by A and B, that A should do certain acts by the day specified, when B was to relinquish all claims upon the note. The whole was deposited in the care of C, who, upon A's not performing his stipulated agreement, was to deliver the note to B, which he did, after having removed the agreement from it, and B transferred it by indorsement to D. *Held*, that an action might be maintained in the name of D, the indorsee. *Moody v. Leavitt*, 2 N. H. 171.

2. Where a note is given by two of the selectmen of a town for the debts of the town, and is paid by one of them, an action may be maintained by him alone in his name, and the amount recovered. *Sanborn v. Deerfield*, 2 N. H. 251.

3. The executor of an estate in Massachusetts, who has proved the will of the deceased in the probate court of that State, does not acquire any interest in a simple contract debt due from an inhabitant of New Hampshire, and no action can be maintained here upon his indorsement



till he has complied with the requirements of the statute of January 22, 1790. *Thompson v. Wilson*, 2 N. H. 291.

4. An infant's note is only voidable, and an action may be supported on it, by subsequent ratification, when he is of age, even after the commencement of a suit. *Wright v. Steele*, 2 N. H. 51. Overruled by *Merriam v. Wilkins*, 6 N. H. 432.

5. A, having given to B several notes secured by a mortgage on his farm, afterwards transferred the farm absolutely to C, who, having paid the notes and obtained the mortgage, commenced an action on the notes in B's name against A; *Held*, that the notes were paid, and no suit could be maintained upon them. *Eaton v. George*, 2 N. H. 300.

6. The administrator of an insolvent's estate, who died intestate, can, for the benefit of creditors, maintain an action on a note given up to the maker by the deceased to be cancelled without payment. *Everett v. Read*, 3 N. H. 55.

7. A gave to B a note, payable in specific articles, which B sold to C, to whom A promised to pay the contents when due; *Held*, that C might maintain an action on the promise. *Currier v. Hodgdon*, 3 N. H. 82; *Wiggin v. Damrell*, 4 N. H. 69.

8. No action can be maintained upon an infant's note, though given for necessities; but such note is no satisfaction of the debt so as to prevent a different action. *McCrillis v. How*, 3 N. H. 348.

9. Where a surety gives his individual note to the creditor, who accepts it as a discharge of the original contract of the principal, he may maintain an action of assumpsit against the principal, "for money" paid. *Pearson v. Parker*, 3 N. H. 366.

10. No action can be maintained upon a partnership note given by one of the firm for his private debts, unless it be clearly shown that he had authority to bind the firm. *Davenport v. Runlett*, 3 N. H. 386.

11. A sheriff, who, having allowed a prisoner to go at liberty, gives his promissory note to the creditor for the amount due on the execution, without agreeing that it shall be a discharge of the execution, may, with the consent of the creditor, maintain an action of debt on the judgment, or cause the debtor to be retaken on an alias execution, in the creditor's name. *Cheever v. Mirrick*, 2 N. H. 376.

12. The action of assumpsit may be maintained on a note, made by an infant, if, after he becomes of age, he declares his intention to pay, and authorizes an agent to take it up on his account, though the agent has done nothing. *Orvis v. Kimball*, 3 N. H. 314.

13. A executed and delivered to B's administrator a deed of a farm in fee and in mortgage to secure a note. Afterwards, in consideration of \$1,200 paid by C, he sold him his equity of redemption. C, being indebted to B in the sum of \$1,200, conveyed the farm to D, who gave his note for \$1,200 secured by a mortgage on the farm to B's administrator, with the agreement that B's administrator should look to the farm exclusively for the payment of the note. The agreement was not known to A, the defendant, till the commencement of the suit. *Held*, that the agreement between B's administrator and C could not be considered a release of the debt, since it would discharge the mortgage, and that an

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action might still be maintained against A. *Parker v. Holmes*, 4 N. H. 97.

14. In an action upon a promissory note, to which A put the name of B without his authority, and gave it to the payee for a valuable consideration, it was *held*, that the law will presume that A intended to bind himself, and that the holder might bring an action against him in his true name upon a count, alleging that he made the note in the name of B. *Grafton Bank v. Flanders*, 4 N. H. 239.

15. A owed a bank, and B agreed to lend him the money to pay the debt. C, being indebted to B, sent a note by D to the bank to ascertain if it could be discounted. D informed C and B that it would probably be done, and gave the note to B, who delivered the same to A. The note was sent to the bank by D and applied to the payment of A's debt. It was afterwards discovered that the note in question was a forgery. In an action by the bank against A, it was *held*, that the discount must be considered as made on account of B or C, and that the fact that the note was forged does not furnish a ground on which the plaintiff can recover. *Grafton Bank v. Hunt*, 4 N. H. 488.

16. A made a note payable to B, or order, and, after having in his will constituted B his executor and residuary legatee, died. B, having conformed with the requirements of the statute, indorsed the note to C, who brought an action against B, and obtained judgment by default. Afterwards B and his sureties petitioned for a new trial. *Held*, that there was no cause for granting it. *Tarbell v. Whiting*, 5 N. H. 63.

17. A promissory note payable to A or B means A and B, and A cannot separately bring an action on the note. *Willoughby v. Willoughby*, 5 N. H. 244.

18. A gave a note, made by B, to C to collect. C lost the note, but having procured a new one from B for the amount, A refused to accept it. C paid A the sum due on the note, and brought an action upon it in A's name. *Held*, that the action could be maintained. *Farnsworth v. Sweet*, 5 N. H. 267.

19. One of a firm may order the contents of a note, made payable to the firm or order, to be paid to himself, and maintain an action thereon in his own name. *Burnham v. Whittier*, 5 N. H. 334.

20. A gave B, for a debt due him, the note of C, payable to A or bearer at a future day, and indorsed by A. Before it became due, C failed. A told B that he should have no trouble about the note, for he would pay it. *Held*, that B could maintain an action against A without proving demand and notice. *Whitney v. Abbott*, 5 N. H. 378.

21. The negotiable note of an infant is of no value, and furnishes no ground of action, till ratified by his acts or express promise. *Hall v. Gerrish*, 8 N. H. 374; *Aldrich v. Grimes*, 10 N. H. 194.

22. No action against the executor or estate of the maker can be maintained upon a note made as a gift, and intended as a legacy in favor of the payee. *Copp v. Sawyer*, 6 N. H. 386.

23. Where, to a regular note, on demand, with interest, a memorandum was attached, that the maker would receive payment of the note in work, if done within six months at fair prices, and there was no evidence

that the work was performed as agreed ; *Held*, that the instruments were not to be construed together as parts of the same contract, and that the note could be negotiated and an action maintained in the name of the indorsee. *Odiorne v. Sargent*, 6 N. H. 401.

24. Where the consideration of a note was a shingle-mill, with the exclusive right to use the same in the town, and the value of the mill itself having been paid and the patent declared void according to the statute ; *Held*, that there was a failure of the remaining consideration, and that no action could be maintained for the amount due on the note. *Earle v. Page*, 6 N. H. 477.

25. Where A, B, C, and D executed a joint and several note, payable to a bank, in which A was described as principal, and B, C, and D as sureties, but the note was made for B and C's benefit. D signed as surety at their request, and upon their promise to indemnify him, before A placed his name upon the paper as principal. B and C had the note discounted at the bank, and afterwards made partial payment. All the signers of the note having failed, the bank collected the balance of D, who became a party to the assignment made by B and C for the exclusive benefit of their indorsers or creditors of the first class, released them from all claims and demands whatsoever, and presented his claim upon the note to the assignees, describing himself as B and C's indorser, which claim was allowed, and D received a dividend. *Held*, that D could not afterwards sustain an action against A for money paid, either as surety for him, or as co-surety with him, for B and C. *Pickering v. Marsh*, 7 N. H. 192.

26. Where an infant gives his note for necessities, signed by himself and surety, and the surety pays the note ; *Held*, that he may maintain an action immediately upon the note. *Conn v. Coburn*, 7 N. H. 368.

27. Where a debtor gives a note to secure a debt due, and includes the expenses of the creditor incurred in the attempt to collect it, *held*, that, though the expenses of the creditor did not constitute a legal consideration for a part of the note, and might have been resisted, yet after a voluntary payment of them no action could be maintained to recover the money so paid. *Bean v. Jones*, 8 N. H. 149.

28. A gave a negotiable note to B, and after B's decease C presented it unindorsed to A, who took it up, and gave C a new note, thinking him a *bonâ fide* holder ; *Held*, that the transfer without indorsement should have put A on his guard, and that an action could be maintained on the note against him. *Davis v. Lane*, 8 N. H. 224.

29. Where a note is given for the conveyance of a patent machine, on condition that every thing shall prove as good as represented, if the patent is void nothing can be recovered on the note. *Davis v. Bell*, 8 N. H. 500.

30. Where a person, against whom a complaint has been made by the selectmen of the town to the judge of probate, and for whom a guardian has been requested (the requirements of the statute having been complied with, and a guardian afterwards appointed), transfers notes by indorsement ; *Held*, that the transfer is invalid, and that the guardian

may maintain an action for money had and received against the indorsee on such notes as have been collected. *McCrillis v. Bartlett*, 8 N. H. 569.

31. But where one of the notes so transferred has not been collected, and is tendered by the indorsee in court; *Held*, that such note cannot be considered as money in the indorsee's hands, and that such action cannot be maintained. *Ibid*.

32. Certain notes were delivered to the defendant in an action, on condition that he would procure and deliver to the plaintiff certain other notes executed by a third party, and that he should give his own note for a certain sum, secured by a mortgage of real estate. A part of the notes and a sum of money were received by the plaintiff, but the defendant refused to complete the contract; *Held*, that the plaintiff was entitled to recover back the property delivered in part execution of the contract. *Luey v. Bundy*, 9 N. H. 298.

33. If a party consents to receive bank-bills in payment of a sum due him, the bills must be current, or convertible into specie, unless the receiver agrees to undertake the risk on them. And where an action is brought in a reasonable time, the receiver can recover the amount, though both parties were ignorant of the depreciation of the bills or failure of the bank. *Fogg v. Sawyer*, 9 N. H. 365.

34. A made a legacy to B of a "trunk and all its contents." Among the other articles was a note payable to A and indorsed in blank; *Held*, that the note passed by the will to the legatee B, and that he could maintain an action on it. *Lock v. Noyes*, 9 N. H. 430.

35. A declaration of a person, who had made a note during his infancy, to a third person having no interest in it, that he designed to pay, is not sufficient evidence of a new promise to support an action against the maker. *Hoit v. Underhill*, 9 N. H. 436.

36. But a voluntary promise to pay, made after the individual becomes of age, either to a party himself, or his agent, will render the person liable. *Ibid*.

37. Where an infant, having received goods and given his note therefor, rescinds the note and refuses to give up the goods on demand of the vendor, *held*, that he will be liable in an action of trover. *Fitts v. Hall*, 9 N. H. 441.

38. Where an infant purchased a potash-kettle, irons, leaches, &c., and gave his note therefor, it being agreed by the parties that he might try the kettle, and return it if it did not answer; and the vendor, after the infant became of age, requested him to return it, if he did not intend to keep it; but he continued to use it and the other property a month or two afterwards; *Held*, that this was a sufficient ratification of the contract, and that an action might be sustained on the note. *Aldrich v. Grimes*, 10 N. H. 194.

39. If a settlement of an account for goods sold is procured by duress of imprisonment, a note of the debtor being received in part payment, with property in satisfaction of costs alleged to have been incurred; and the debtor afterwards avoids the note on account of the duress; the creditor may maintain an action on the account, to recover the balance due, without returning the property; and this notwithstanding the action



was commenced before the debtor elected to avoid the note. *Burnham v. Spooner*, 10 N. H. 532.

40. An action may be sustained upon a negotiable promissory note, in the name of a third person, to whom it has been indorsed for the purpose of collection, and who has no interest in the suit except as a trustee. *Edgerton v. Brackett*, 11 N. H. 218.

41. An individual applied to an attorney to collect certain notes, and indorsed them, in order that the attorney might bring a suit in the name of a third person, with whom the attorney had an arrangement authorizing him thus to bring suits in his name; and the attorney inserted a count for money had and received, with the purpose of covering a negotiable note payable to himself; *Held*, that the attorney had a right to control the suit thus instituted, notwithstanding the party interested in the other notes objected to the rendition of a judgment which should include the note payable to the attorney. *Ibid*.

42. Where a promissory note was given to *The President, Directors, and Company* of the Newport Mechanics' Manufacturing Company, instead of to "The Newport Mechanics' Manufacturing Company," which was the true name of the corporation to which the note was designed to be given; *Held*, that the variance was not such as to preclude recovery in the name of said corporation. *Newport Mechanics' Manufacturing Company v. Starbird*, 10 N. H. 123.

43. An attorney, to whom a promissory note is committed for collection by the payee, derives no authority from the mere fact of employment to indorse and transfer the note in behalf of his client to a third person, so as to enable him to maintain an action for the benefit of the payee. *White v. Hildreth*, 13 N. H. 104.

44. A promissory note, signed by several persons and payable to one of their number or his order, cannot, in the name of the payee, be enforced at law as a joint promise against all the signers. *Heywood v. Wingate*, 14 N. H. 73.

45. But when such note is indorsed to a third person, it immediately becomes operative as a valid contract, from the date of the transfer, and may be enforced by a joint action against all the makers, in the name of the indorsee. *Ibid*.

46. The filing of a petition in bankruptcy by the defendant, in an action on a promissory note pending in the Court of Common Pleas, does not deprive the court of its jurisdiction, and the action will not for that reason be dismissed. *Hobart v. Haskill*, 14 N. H. 127.

47. A by-law of "The Farmers and Mechanics' Store," an association for trade, provided that each subscriber should become a partner. In an action on three promissory notes, it was *held*, that the defendants, having subscribed a certain sum to said association, were partners in the company, and liable as such. *Atkins v. Hunt et al.*, 14 N. H. 205.

48. Whether the payee of a negotiable note which he has indorsed and transferred to another person for collection for his own benefit cannot maintain a suit upon it in his own name, after a revocation of the authority to collect by a demand of the note, *quære*. *Howland v. Spencer*, 14 N. H. 580.

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49. An action cannot be maintained if it have no other foundation than a contract made on Sunday. *Allen v. Deming*, 14 N. H. 133.

See *When a Discharge of original Cause of Action; Negotiation and Transfer*, 4, 9; *Presentment, Demand, and Notice, Necessity of*, 1, 3; *Protest*, 1; *Rights and Liabilities*, 12; *Indorsers, Guarantors, &c.*, 4, 15, 16, 22, 25; *Pleadings and Evidence*, 14, 64, 91; *Interest*, 6, 7, 10.

2. *When Subject to Equities between other Parties.*

1. Where A gave a note payable to B and C, and, B having died, C received the contents of the note; in an action by B's administrator against C to recover one half the money, *held*, that C could not set off claims which he had against B's estate. *Woodman v. Barker*, 2 N. H. 479.

2. Where a note not payable to order was, for valuable consideration, assigned to third persons, and an action brought for their benefit in the name of the payee; *Held*, that the maker might set off a debt due to him at the time of the assignment from the payee. *Sanborn v. Little*, 3 N. H. 539.

3. When a note, not negotiable, has been assigned for a valuable consideration to a third person, and the maker afterwards promised such third person to pay it; in an action upon the note brought in the name of the payee against the maker, *held*, that he cannot avail himself of claims against the payee as a set-off. *Wiggin v. Damrell*, 4 N. H. 69.

4. In an action against two persons, their separate and distinct claims against the plaintiff cannot be considered as mutual debts within the intent of the statute, so as to constitute them good set-offs. *Ross v. Knight*, 4 N. H. 236.

5. A made a note payable to B (not to order) at a future day. B transferred it to C, who notified A of the transfer. A said shortly, that he would see about that, but mentioned no set-offs against B. In an action on the note in the name of B for the benefit of C, *held*, that A could not avail himself of the set-off against B. *Albee v. Little*, 5 N. H. 277.

6. In an action upon a note brought against two defendants, the claims of one of them against the plaintiff cannot be allowed as a set-off, unless one of the defendants is a surety. *Woods v. Carlisle*, 6 N. H. 27; *Mahurin v. Pearson*, 8 N. H. 539.

7. But if there are other mutual dealings between the plaintiffs and the principal, whether there can be any set-off except of the balance due, *quære*. *Mahurin v. Pearson*, 8 N. H. 539.

8. A judgment recovered by A against B and C may be set off against a judgment recovered by B against A. *Hutchins v. Riddle*, 12 N. H. 464.

9. In a suit upon a negotiable note in the name of the indorsee, to whom it has been *bonâ fide* transferred, and for valuable consideration, a demand of the maker against the indorser is not admissible as a set-off, although the note may have been discredited when the indorsee took it. *Chandler v. Drew*, 6 N. H. 469; *Jenness v. Bean*, 10 N. H. 266.

10. The payee of a note indorsed it, and gave it as security to certain

VOL. I.

55

creditors, who brought an action upon it in the name of a nominal plaintiff, when the payee settled the demand secured by the indorsement; *Held*, that the defendant might set off a note from the payee to himself. *Bellows v. Smith*, 9 N. H. 285.

11. The tender of such note to the plaintiff or his attorney, with the balance due and the costs of suit, is defective. *Ibid*.

12. Where a negotiable note is indorsed, in pledge, as a collateral security for a debt due from the indorser to the indorsee, the general property remaining in the indorser; *Held*, that the indorsee takes it, like a chose in action not negotiable, subject to all defences to which it would be subject in the hands of the indorser, at the time when notice is given of the indorsement, and that the maker may set off a debt due to himself from the indorser at that time. *Jenness v. Bean*, 10 N. H. 266; *Williams v. Little*, 11 N. H. 66; *Clement v. Leverett*, 12 N. H. 317.

13. In an action by an indorsee against the maker, if the defendant files a set-off against the note, and introduces evidence that the note was not indorsed until it was discredited, he will be admitted to sustain his set-off, unless the plaintiff shows that he took the note *bonâ fide* for valuable consideration. *McDuffie v. Dame*, 11 N. H. 244.

14. In an action by the payee, the defendant, to whom a note not negotiable has been transferred by the payee, by indorsement, cannot file it in set-off. *Carleton v. Brooks*, 14 N. H. 149.

See *Defences*, 3; *Negotiability and Transfer*, 6.

### 3. Defences.

1. In general.
2. Limitations.

#### 1. In General.

1. It is no defence to an action on a note, that the article for which it was given proved to be of no value. But had the property never passed, or had fraud been practised or an express warranty been broken in relation to the article, either of these circumstances might have defeated the action. *Reed v. Prentiss*, 1 N. H. 174; *Shepherd v. Temple*, 3 N. H. 455.

2. When a note is drawn by referees for the amount of their award, by an agreement of the parties, and the one liable signs his name to it without knowing its contents, the same defence is admissible as in an action on either the original promise or award. *Page v. Pendergast*, 2 N. H. 233.

3. What is a proper matter of set-off, in an action upon a note of hand, is to be determined by the laws of the State where the action is brought, not where the note was made. *Gibbs v. Howard*, 2 N. H. 296; *Rand v. Rand*, 4 N. H. 267.

4. Usury cannot be set up by the maker in defence upon a note after it has passed into the hands of an innocent indorsee without notice. *Young v. Berkley*, 2 N. H. 410.

5. Where judgment has been obtained against one of several makers of a note, and the sheriff has returned the execution *satisfied in full*, this is a good defence in an action against another of the makers. *Townsend v. Riddle*, 2 N. H. 448; *Farewell v. Hilliard*, 3 N. H. 318.

6. Where a note was given for specific articles warranted, it was held a good defence that they turned out to be of no value. *Shepherd v. Temple*, 3 N. H. 455.

7. The statute of limitations is a good defence in an action of debt brought to recover money paid as usurious interest, and only such part as is not barred by the statute can be recovered. *Harper v. Bowman*, 3 N. H. 489.

8. Where the consideration of a note is a deed of the promisor, conveying all his right and title to certain land, it is no defence, in an action upon the note, that the promisor had no interest in the land, unless the conveyance was fraudulent. *Perkins v. Bumford*, 3 N. H. 522.

9. If an action upon a note, indorsed before it became due, be brought by a *bonâ fide* holder against the maker, it is no defence in favor of the latter that it was given for a fraudulent, or without any, consideration, unless the holder knew, at the time of the indorsement, of the invalidity of the note. *Perkins v. Challis*, 1 N. H. 254.

10. Want of consideration is no defence to a note in the hands of an innocent indorsee for valuable consideration. *Bryant v. Ritterbush*, 2 N. H. 212; *Carleton v. Whitcher*, 5 N. H. 196.

11. When a note is made payable in goods at a particular place, on demand, the maker is bound to have the goods always ready to constitute a good defence. *Bailey v. Simonds*, 6 N. H. 159.

12. The indorsee of an informal note, indorsed when overdue, presented it to the maker for payment. The maker said he thought the paper was a receipt, not a note, and that he had demands against the drawee; but he would pay the note if the indorser would give him time, which he did. *Held*, that the maker could not set up in defence these facts, though they would have been sufficient before his new promise to pay. *Franklin v. March*, 6 N. H. 364.

13. In an action upon a note between the original parties, the want of consideration is a good defence. *Copp v. Sawyer*, 6 N. H. 386.

14. In an action upon the following note: "Agreeably to my father's last will, I promise to pay A forty dollars, when he shall arrive at the age of twenty-one years," — signed by the defendant and his father, no will being left by the father; *held*, that this note was an order by the father upon the son, which was *primâ facie* evidence that the father had placed the money in his son's hands for the plaintiff, so that want of consideration constituted no defence to the suit. *Horn v. Fuller*, 6 N. H. 511.

15. When an acceptance has been received by a creditor, to be collected and applied in payment of a precedent debt, he is bound to exercise due diligence in its collection, or it will be held as a satisfaction of his own debt by reason of his laches, and will constitute a good defence in an action by the indorsee against the maker. *Cochran v. Wheeler*, 7 N. H. 202.

16. Where notes were given for portions of a fund, subscribed by

certain persons, and bestowed upon a society on condition that the income of said fund, together with the same amount raised annually by the society, should be applied to the support of a minister of a certain denomination, who should be approved by a majority of the society, after four Sabbaths' trial; and with the provision, that the fund should be forfeited upon a misapplication of the proceeds; *Held*, that the sums raised upon the conditions were forfeited when a different sort of minister, and one unapproved by the majority of the society, was employed and paid out of the funds, and that this forfeiture constituted a good defence in an action upon the notes. *Cong. Soc. Troy v. Goddard*, 7 N. H. 430.

17. Where a defendant, who had given a note to be paid in labor at stated times, pleaded in defence that the plaintiff had by his own fault rendered it impossible to perform the work as agreed in the note; and the plaintiff, on the other hand, to rebut this defence, introduced evidence of the defendant's having refused to perform the labor on account of having a discharge from the original payee of the note; *Held*, that the defendant's assertion of having a discharge from the contract was not a waiver of any other legal defence to the plaintiff's claim. *Clement v. Clement*, 8 N. H. 210.

18. A tender of the amount of a note to the plaintiff's attorney, after a suit is commenced, without costs also, is unavailing to bar further proceedings under the statute, and a tender before the suit is also nugatory, since the statute makes no provision for such tender. *Thurston v. Blaisdell*, 8 N. H. 367.

19. Where a note is indorsed after it has fallen due, the indorsee receives it subject to any defence subsisting while in the hands of the payee. *Odiorne v. Howard*, 10 N. H. 343.

20. Though it is not necessary, where a note is made payable at a particular time and place, to prove demand of payment at such time and place, yet if the promisor is ready at the time and place with the means of payment, this is matter of defence. *Otis v. Barton*, 10 N. H. 433; *Eastman v. Fifield*, 3 N. H. 333.

21. A, of the State of Vermont, made a promissory negotiable note to B, of the same State. B, after part of the note was paid, indorsed it to C, of New Hampshire, for valuable consideration, and, having received the balance due from A, gave a receipt for the full amount of the note. *Held*, that the common law now governs notes in Vermont, the statute to the contrary being repealed, and that payment made to the promisee of a note after it has been properly transferred cannot avail as a defence for the maker. *Dow v. Rowell*, 12 N. H. 49.

22. Where a conveyance of land has been made by a deed, executed with covenants of warranty, and a note has been received in consideration of the conveyance, a partial failure of title will not constitute a defence to the note, but the remedy of the party must be by suit on the covenants of his deed. *Chase v. Weston*, 12 N. H. 413.

23. A discharge under the statute of Massachusetts entitled "An Act for the relief of insolvent debtors," which would have a good defence against a note in that State, the maker and payee of which were both resident citizens of that State (where it was made and held until

overdue, when it was transferred and put in suit in this State), is also a good defence to such suit here. *Hall v. Boardman*, 14 N. H. 38.

24. Where a party conveyed the fee of certain land upon condition that the deed should be void if the grantee and others paid certain notes at the time specified, said notes forming the consideration of the deed, and where the grantee entered and held the land, but he did not by himself or others pay the notes at the time specified; *Held*, that by the non-performance of said condition a forfeiture was saved, and that the subsequent payment of the notes could not destroy the conveyance; and that the above circumstances and the condition of the deed constituted no defence to an action of assumpsit on the notes. *Hodsdon v. Smith*, 14 N. H. 41.

25. If a promissory note be obtained without consideration, by the fraudulent representations of the payee, but the maker afterwards, with full knowledge of the fraud, receives a consideration, and promises to pay it, he cannot set up the fraud in defence. *Russell v. Abbot*, 13 N. H. 475.

26. And if a new promise be made after the commencement of the suit upon the note, it will avail as a ratification, to sustain the action. *Ibid*.

27. Where the defendant pays money into court under the common rule, unless the plaintiff shall show that a greater sum than the amount so paid into court be due him, he shall not be entitled to costs. *Eastman v. Molineux*, 14 N. H. 503.

28. A payee indorsed a note in blank, and, having delivered the same to an attorney for collection, became bankrupt. His assignee demanded the note, but it was not delivered to him. The assignee then commenced an action against the maker of the note. At the trial it appeared that the defendant, after the commencement of the suit, paid the amount of the note to the attorney, who still retained possession of it, and the note was delivered to the defendant. *Held*, that the payment was unauthorized, and no defence to an action by the assignee, unless by reason of a lien upon the note in the hands of the attorney. *Howland v. Spencer*, 14 N. H. 580.

See *Negotiability and Transfer*, 6.

## 2. Limitations.

1. It is a sufficient replication to the plea of the statute of limitations to prove that the defendant said, "that he did not recollect giving the note, but if he did [give it], he would pay it, its being outlawed should make no odds," and afterwards to show that he did make the note. *Stanton v. Stanton*, 2 N. H. 425.

2. The statute of limitations is no bar to an action till six years after the right of such action has accrued. *Odlin v. Greenleaf*, 3 N. H. 270.

3. The statute of June 30, 1825, repealing all former statutes of limitations, is, so far as regards actions then pending, repugnant to the constitution of the State, and wholly inoperative. *Woart v. Winnick*, 3 N. H. 473.

4. The offer of the maker of a note, after acknowledging the debt due,



to give for the note less than the amount due, which offer is refused, does not constitute such an admission of a debt as to bar the plea of the statute of limitations. *Atwood v. Coburn*, 4 N. H. 315.

5. Where the plaintiff in a suit has admitted that he owes the debt, and that he is determined to pay and not to cheat any creditor, but that he was then unable to do it; *Held*, that such an admission is evidence only of a promise to pay when able, and that his ability must be shown to take the case out of the statute of limitations. *Ibid*.

6. The acknowledgment of the defendant within six years, that the debt for which he is sued is honest, will not take the case out of the statute, and revive the cause of action. *Rice v. Wilder*, 4 N. H. 336.

7. Where the surety upon a note due to a bank, when called upon by the cashier for security, told him that he was unable to pay, but made an offer in writing to mortgage certain real estate to the bank, and to pay interest every ninety days, which the bank rejected; *Held*, that this was not sufficient evidence to bar the statute. *Exeter Bank v. Sullivan*, 6 N. H. 124.

8. A payment made by one of two sureties does not take the case out of the statute as to another. *Ibid*.

9. Where the maker of a note says, within six years before the suit, that he has bills of cost against the holder, that he has sent him money by mail, and that something [not stating the amount] is still due, which he is ready to pay to any person authorized to receive it; *Held*, that these admissions are sufficient to take the case out of the statute, and to entitle the plaintiff to nominal damages. *Eastman v. Walker*, 6 N. H. 367.

10. The admission by one of two makers of a note, on seeing it, that it was as he expected, and that the ten dollars named in the indorsement were paid within six years, and his answer, when asked how he expected to get clear of paying the note, that there must be a formal demand before the suit could be maintained, will not take it out of the statute of limitations. *Kelley v. Sanborn*, 9 N. H. 46.

11. In an action upon a promissory note, to which the defendant has pleaded the statute of limitations, a replication that the note is secured by a mortgage is not bad on demurrer, notwithstanding it appears from the pleadings that the note is not fully described in the condition of the mortgage. *Colby v. Everett*, 10 N. H. 429.

12. The statute of limitations constitutes no bar to the maintenance of an action, where the defendant has resided without this State, unless there has been property of the defendant within the State, during the full term of six years, which might have been attached by the common and ordinary process of law. *Dow v. Sayward*, 12 N. H. 271; *Sissons v. Bicknell*, 6 N. H. 557; *Dow v. Sayward*, 14 N. H. 1.

13. Where property has been holden within this State for that term of time, in order to take the case out of the statute there must have been such notoriety to this ownership that the creditor might, with common and ordinary diligence, have secured his debt, or by attachment have given jurisdiction to the court, so that judgment could have been had, and his claim preserved in force. *Dow v. Sayward*, 12 N. H. 271.

14. The fact that the sureties on a note assented to several requests of the principal for delay, is not evidence, standing alone, on which the jury may find their assent to subsequent delays upon the same note. *Merrimac Co. Bank v. Brown*, 12 N. H. 320.

15. A having drawn a note payable on demand, dated August 2, 1813, left the State, the 15th of October, 1813, and continued abroad till the 25th of July, 1828. To an action brought on the 29th of June, 1830, he pleaded the statute of limitations; *Held*, that the case did not come within the provision of the statute against persons out of the State, since, when the cause of action accrued, A was in the State. *Adams v. Johnson*, 6 N. H. 119.

16. An acknowledgment, in order to take a case out of the statute of limitations, must contain an unqualified and direct admission of a previous subsisting debt, which the party is liable and willing to pay. *Ventris v. Shaw*, 14 N. H. 422.

17. The defendant gave the plaintiff a receipt, stating that he had received \$150 "on note." *Held*, that the statute of limitations did not begin to run until defendant had been requested thus to apply the money. *Sawyer, Admr., v. Tappan*, 14 N. H. 352.

See *Defences*, 7; *Pleadings and Evidence*, 7, 8, 9, 113; *Rights and Liabilities, In General*, 16, 18.

#### 14. Payment.

1. A requested B to procure money from C, and pay his note at the bank, on which B was surety, and promised to pay the money on his return. When he returned, he offered the money to C, who gave him farther time of payment without B's consent. *Held*, that A's offer to pay must be considered a payment of the original contract, and the giving time a new loan to A. *McQuesten v. Noyes*, 6 N. H. 19.

2. A drew an order upon B in favor of C, to be indorsed upon a note held by him against B. B accepted it, and indorsed the amount on the note; but the order was never paid, and did not appear to have returned to the hands of A. *Held*, that it was a payment *pro tanto* of the note. *Shaw v. Gookin*, 7 N. H. 16.

3. Where one of two joint promisors paid a note, and agreed with the payee, that the payment should be kept secret, only half the amount indorsed on the note, and the balance collected by the payee for him; *Held*, that such payment was a discharge of the note, so that a suit could not be sustained upon it, and that the co-promisor was liable only for contribution. *Davis v. Stevens*, 10 N. H. 186.

4. Where a bond and mortgage were given to secure the debts due from the mortgager to the mortgagee, and the mortgager and a third person were at the time indebted to the mortgagee, upon their joint and several promissory note, which was afterwards delivered up, and the several note of the mortgager taken for one half of the amount; *Held*, that this change of the security did not discharge that half of the debt, and that the amount of the new note was secured by the mortgage. *N. H. Bank v. Willard*, 10 N. H. 210.



5. Where but one of several notes, secured by mortgage, has become due on entry to foreclose; *Held*, that the mortgaged property on foreclosure must be applied first in payment of such note. *Hunt v. Stiles*, 10 N. H. 466.

6. Where C, the indorsee of a negotiable note of \$ 100 given by A to B, informed A that he possessed the note, and was told by A that he was the assignee of a note of B's to D for \$ 60, which A tendered afterwards to C, with the balance in money, in payment of his own note to B, all the parties to the notes being residents of Vermont at that time; *Held*, in an action brought by C against A in New Hampshire, that under the laws of Vermont, which were to govern the case, the note held by A could not be a good set-off to that possessed by C, since A did not give B notice that he possessed it before the indorsement to C, or even before the commencement of the suit. *Bliss v. Houghton*, 13 N. H. 126.

7. The defendant held a note against the plaintiff, and also held notes against a person deceased, of whose estate the plaintiff was administrator. The deceased left property, some of which was sold by the plaintiff, who paid the defendant \$ 150, for which he took a receipt, stating that it was received "on note." *Held*, that, as the plaintiff was not personally liable for the debt against the estate, the defendant had no right to apply the money in satisfaction of it, but that it should be applied on a personal debt of the plaintiff. *Sawyer, Admr., v. Tappan*, 14 N. H. 353.

8. The defendant brought a suit against the plaintiff upon a note, and the latter paid into court the amount due upon the note, and the costs. The plaintiff had also brought a suit against the defendant upon an account, in which suit the defendant filed the note in set-off. The defendant took the money out of court, but declined accepting it in satisfaction of his claim, because he had filed the note as a set-off on a suit which the defendant had brought against him. *Held*, that the debt was paid, and the defendant could not rely on the note as a set-off. *Molineux v. Eastman*, 14 N. H. 504.

9. The defendant pledged two notes, signed by one Samuel Noyes, as collateral security for a debt due the plaintiff, which the plaintiff was to collect, and, after deducting the amount of the defendant's debt, was to pay him the balance. The plaintiff then agreed with Noyes that the latter should give him a new note, signed by himself and Benjamin Noyes, for the amount due on the old notes, with \$ 15 in addition. The plaintiff computed the sum due on the old notes, but by mistake made it too small by \$ 10, and for the sum thus computed a new note was sent to the plaintiff, who filed it with the old notes, which were never called for by Samuel Noyes. *Held*, that the new note could not be considered as payment of the old ones, and the plaintiff was not chargeable with their amount. *Goodall v. Richardson*, 14 N. H. 567.

See *Banks and Banking*, 5; *Actions, When and by whom*, 5; *Defences, In General*, 15; *Pleadings and Evidence*, 38, 93.

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## BANK CORRESPONDENCE.

WE propose to publish occasionally the remarks of correspondents in relation to topics of common interest to the banking profession. The following will be useful, if they only suggest further inquiry upon the subjects mentioned. — ED. B. M.

I. BANK CHECKS. II. BANK EXCHANGES. III. BANK-NOTE ENGRAVING.  
IV. MANUAL FOR NOTARIES. — BANK BONDS.

## I. BANK CHECKS.

Letter from the Cashier of a Bank to another Cashier, in answer to the Query, "*Is a cashier liable in any way if a check payable to bearer is paid by him, after a request only has been made by the drawer not to pay it if presented?*"

I HAVE always supposed that even a "request only" would be considered a notice to the cashier not to pay, and that if he did pay after such notice, he would be liable.

Not wishing to rest entirely on my own opinion, I submitted the question to a friend, late cashier, and now president, of one of our banks, and formerly a lawyer and bank commissioner. His view was, that a check payable to bearer was similar to a bank-bill, and that a cashier would be no more responsible for the payment of a check after notice not to pay, than he would be in paying a bank-bill, the date and number of which he had left with the cashier, with a request not to pay it. He thought a person so careless as to lose either would have no right to place upon a cashier the necessity (in the pressure of business) of remembering not to pay it, and hold him liable if he did.

Mr. D., a lawyer, notary public, and a man of education and general intelligence, was of opinion that the cashier would be liable.

Our bank counsel, who does our law business and is one of the soundest and best posted-up lawyers at our bar, happening to call at the bank, I proposed the question to him. He was of opinion that the cashier would be liable. His reasoning was, the check was an order on the cashier to pay money out of the funds in the bank belonging to the drawer; the notice countermanded the order, and the cashier would make himself liable if he paid the check after such notice. Further, our city solicitor said there could be no question that the cashier would himself be liable by paying the check after such notice from the drawer. Hoping that you have no personal interest in the question, I remain, very truly,

. . . . . Cashier.

## II. BANK EXCHANGES IN PHILADELPHIA.

[From a Philadelphia Cashier.]

TO THE EDITOR OF THE BANKERS' MAGAZINE.

THE clerks of the various banks meet every morning at the Philadelphia Bank, at 8½ o'clock, to make the exchanges by the reception from each other of notes and checks received the day previous in deposit at their several banks. The cashiers meet twice a week, at 11½ o'clock, A. M., to settle balances (with the exception of two months in the year, July and August, when they meet but once a week). At this meeting the banks are called over by the chairman, each cashier announces how he stands, either debit or credit; when all are called over, the aggregate debits and credits must balance; — the debit banks giving a check for the amount of their indebtedness to a creditor bank, payable in specie, which is either drawn the day after the settlement, or

put into the exchange, as the bank holding it may see proper. No fractions less than a thousand are counted when making out our general statement.

The Cashier's Board, as it is termed, exercise no other powers, although at times much importance is attached to its meetings out of doors; indeed, much more than they are entitled to. There are no subjects introduced at these meetings bearing upon the general policy of the whole number, at least so far as relates to the reduction or expansion of their discount lines. Each cashier draws his own conclusions, and recommends to his own board such action as he may deem prudent from the general statement of the whole exhibited before him. These meetings also have a happy tendency in promoting friendly feelings between the officers, and, as a matter of course, between the several institutions.

The results of this plan, we believe, are very satisfactory. It prevents the public mind from becoming excited by the drawing of coin in quantities from every bank in the city, as was formerly the case before the present simple arrangement was adopted, as it is presumed no bank will resort to it unless it becomes necessary to increase the amount in its vaults.

The legal decisions condensed in the form presented in your *Magazine* are deemed, with us, very important to bankers, conveying as they do at a glance the decisions on so many points in the several States. I am of opinion that a similar view of the decisions in this State would be very acceptable to the banks in Pennsylvania.

### III. BANK-NOTE ENGRAVING.

[Extract from a Letter written by the President of one of the Southern Banks.]

SOME two months since my attention was called to a bank-note, which at the first glance I took to be one of our own issue, so identical were the arrangements, figures, title, &c., on the larger portion of the bill. On examination, I found it purporting to be the issue of a bank in New Jersey, which I since notice has failed, and engraved by the same house as the first issue of this bank in 1847. I wish to ask whether it is right and justifiable in engravers to furnish notes for different banks so nearly the same in appearance that nine persons out of ten, in the ordinary occurrences of business, out of doors, would not discover the difference?

REMARKS. — It is certainly contrary to etiquette and to fair-dealing among bank-note engravers to copy the designs and style of other engravers. It should be discountenanced by the profession at large. Few instances have occurred of this kind. — ED. B. M.

### IV. NOTARIAL DUTIES. — BANK BONDS.

[Extract from a Letter written by a Connecticut Cashier.]

A LARGE proportion of bank notaries (at least in the country) are not lawyers, and there is probably no branch of business which turns as much on nice points as the matter of *protests*, and which is so little regulated by *specific statute*. The laws of different States, too, vary materially. I have long felt the want of something like a *Notary's Manual*, which shall furnish a reliable digest of what has been *decided* to be law, or what is directed by statute enactment, on every question coming up before a notary in *each State*; and it appears to me that such a work would find a wide sale over the Union. As a specimen of the differences between different States, I might mention, that in New Jersey, where I was settled, the law as to *notices* is, that they must be directed to the *nearest* post-office, whether in the township or not; while I understand that in New York it has been decided that to direct to "the town of ——" without designating any post-office, is a valid notice. Such a work wants to be made as concise as possible for ease of reference. We want the labor of picking out the wheat from among the chaff performed for us more carefully than a notary can do it for him-

self (even if able), in the haste of his business; and *principles of law* in the case made to stand out clearly.

Whether this comes within your sphere or a lawyer's, and whether you have the facilities for bringing out *reliable* guides, you will judge for yourself.

Can you publish in your work some information as to the principle of operation and success of institutions for *giving bonds for bank officers*, which I have been told have been organized in England? It is unpleasant to call upon friends, especially in the case of some banks which require *annual* bonds. I was in a bank in New Jersey where the *charter* required the cashier to give annually \$ 20,000 bonds, which remained in force for any thing occurring in that year. Worthy and competent men are often compelled to forego such employment for want of wealthy friends. I have not examined the matter, but it has frequently occurred to my mind that a mutual association might be organized to receive an annual premium upon the amount of bond required, in consideration of which the association should give *its* bond for the officer or clerk. Not having statistics at hand, I cannot express an opinion as to whether a profitable business could be done without making the charges burdensome to men of small means.

REMARKS. — A Manual for Notaries would be exceedingly useful to the banking profession, and we propose to prepare one at an early date for the *Magazine*. In the mean time our readers will be furnished with a synopsis of the decisions in Maine, New Hampshire, Vermont, Massachusetts, and Connecticut, on the law of bills of exchange, — including presentment, demand, notice, protest, indorsers, &c. See pp. 454, 540, 625, *et seq.*, and the Nos. of this work for March, April, and May next.

The Bankers' Commonplace Book will be found a useful volume, embracing much information upon these topics.

In reference to the subject of bank bonds, our readers will find the plan of the Guaranty Society of London fully discussed in the previous Nos. of this work, viz. pp. 746, 747, March No., and pp. 953, 954, June No. The form of a guaranty bond is there given, with the observations of Mr. Gilbart in recommending this plan for general adoption by moneyed corporations. — Ed. B. M.

## BANK EXCHANGES IN NEW YORK.

[Communicated to the Journal of Commerce.]

MESSEURS. EDITORS, — Permit me through the columns of your widely circulated journal, to propose to the banks of this city a system of exchanges which would be a great saving of labor to each of them, and of some service to the mercantile community. About forty banks are now doing business in this city, each bank, with some few exceptions, keeping an account and exchanging with all the others daily. Each bank receives from its customers on deposit, or in payment of notes, the checks and notes of every other bank in the city, and also of those banks out of the city which redeem at par through some bank here. The funds so received are, at the close of each day's business, assorted and made up, with a slip upon which the items are entered for each bank in the city; and on the following morning they are debited and sent to each other; thus making, for forty banks, 1,560 accounts kept by banks in this city with each other. There must be of course at least one debit and one credit in each of these accounts each day, and often more. If but one, you have 3,120 postings and the same number of entries upon bank books daily. Most, if not all, the banks keep an additional account, which they call the account with city banks, made up of the aggregates of the other accounts. The object of this account is, to show each bank its position with the others as a whole, either as debtor or creditor. If this account is kept by all the banks of the city (as it should be) it makes 1,600 accounts necessary to be kept by the banks of this city in the transaction of their business with each other, and the number is constantly on the increase; for every new bank makes one new account for all the others. Bank balances are due in specie, and are drawn at pleasure, though, by custom, Friday of each week is settling day. Each bank is daily a debtor to some banks, and a creditor of others. This is *always* the case, whether the bank is in the aggregate debtor or creditor. Whenever specie is drawn, it becomes necessary for each bank to take off upon a separate book the city bank balances, as they are on the morning of the day of drawing.



During a stringent money market, or when specie is wanted for shipment, the banks often draw other days than the regular day of settling. Recently this was done every day for a week. If a bank wants specie, or thinks it does, it draws upon some bank where it has a balance due, and is generally paid with a draft or drafts upon other banks, and thus a general drawing and moving of specie takes place all over the city, caused often by a petty amount in the first instance. Such a state of affairs creates a general want of confidence, a reduction of loans, and often a panic in the money market.

It will be seen, by this hurried sketch of the present mode of doing business with each other by the banks of this city, that it is attended with great labor and considerable uncertainty. Differences often occur, and are not always found. I think this can be prevented. My plan is this. Let the banks select some one bank as a medium for exchanging, to be the exchange bank of the city, and let an account be kept by all the city banks with this bank alone; each bank assorting and making up its exchanges as now, but all the banks sending their gross amount of exchanges to the bank so selected, at some regular hour in the morning of each day, say nine or ten o'clock. The entire amount of exchange would thus be brought together, and could soon be distributed with but little more labor than each bank is now subject to, made up with a slip from the exchanging bank stating the amount of the slips of each bank, which should be footed. Thus each bank would receive from one bank the entire amount collected upon it by all the banks in the city. The amount from each bank would be separate, but thirty-nine banks could each dispense with thirty-nine accounts, for the account kept with the exchange bank would be the same as the account now kept with city banks. This would close 1,521 accounts upon bank ledgers in this city. The porter of each bank should take, at a regular hour, his entire amount of exchanges, with a slip as now, — have them entered upon the books as now, and soon after call for the exchanges upon his own bank, entering the amount of them upon the book of the exchanging bank. Thus for thirty-nine banks but two entries need be made. They should then meet at some regular hour, say twelve or one o'clock of each day, at the exchange bank, to receive from it any checks returned not good, and for the correcting of any errors that may have been discovered. If any bank was short, or over, it would be quite sure to appear in this way of exchanging. Balances should be settled as now. Debtor banks should be required to pay up once a week, or every day, should it be necessary. In this way, the number of balances would be greatly reduced, and specie would become less like the Paddy's flea, and stay longer in one place. I think the advantages of this plan are many. Much labor and liability to error would certainly be saved. I think that all interested can see from the outline given of the proposed mode of exchanging what merit it has, if any; and will only add that the bank selected as the medium should be paid in some equal and fair way by the others, which could be arranged by themselves. Should you consider the above worthy of an insertion, you will oblige an overworked

BANK BOOK-KEEPER.

**GOLD BALANCES.** — Messrs. Howard & Davis, of 34 Water Street, Boston, have placed in the Merchants' Exchange News Room, a balance, designed especially for weighing precious metals, and built by them for Messrs. Page, Bacon, & Co., of San Francisco, at a cost of \$1,000. The glass case which incloses the balance is about 5 feet long, 4 feet in height, and 18 inches in width. The material of which the principal portion of the balance is manufactured is the very best of Princes' metal, and the steel parts are heavily plated with silver in order to protect them from rust.

The beautiful article is capable of weighing \$50,000 in gold at a draft, and is sensitive to the 50th part of a grain. All the knife-edges rest on jewel bearings, and it is furnished with two complete sets of weights, one for a working set, and the other as a standard set. The balance, together with the marble base upon which it rests, weighs about 600 pounds. The whole affair is one of the most perfect pieces of mechanism ever exhibited in this city, and will remain in the news room several days for the inspection of the public. — *Boston Journal*, January 1.

## MISCELLANEOUS.

**SUPPLY OF AMERICAN GOLD BY THE BANK OF ENGLAND.** — The Bank of England have suggested a course with regard to the supply of bullion in Ireland, which may save trouble and risk to emigrants. At present these parties take sovereigns, which they change for American money before proceeding into the interior, receiving gold eagles or other coins at the rate of \$494.50 for £100. But owing to the influx of specie from the United States the Bank in London have an abundant supply of American eagles, which they could part with at the rate of \$484.85 for £100. If the emigrant, therefore, were to take these instead of sovereigns (which he might do at a fractional profit of 35 cents, or 1s. 5d. per cent.) he would avoid the necessity of an exchange, or the possibility of any deception being practised upon him as to current value or fulness in weight, while at the same time the waste labor of melting and re-coinage would be saved in the respective countries. It has consequently been communicated to the Bank of Ireland, that, if they would make these circumstances known, and would think proper to receive any number of eagles to meet the demand that may arise, there would be no difficulty in the arrangement. — *London Bankers' Magazine*.

**LIMITED PARTNERSHIP.** — The law of limited partnership is now attracting attention in England. The recent failure of some of the joint stock banks in the provinces has awakened public interest to the defects of the present system, which is that of general partnership. The *London News* money article dissects the subject with ability, among other things, remarking: —

"If a person wishes to say, 'I propose to enter into such and such a trade, with a capital of £10,000, lent me by a friend, who will not be answerable for more, but who has evinced his reliance upon me by consenting to receive as interest a fair share of the profits I can make, and under these circumstances you can deal with me or not, as you please,' the law steps in and prohibits the public, even if they may desire it, from dealing upon such terms. Its doctrine is, that the community are not fit to exercise their own discretion upon such a point, and that they must consequently be protected from the follies into which they would fall if left to their own free will. To enforce that protection, a disability is enforced against all capitalists. They may lend their money on any terms but those which are most natural, namely, the condition of sharing the consequent profit and loss. They may, by abundant contrivances, lend it at exorbitant rates of interest, and under such provisions for security as to insure their repayment before a general creditor can receive any thing; but if the rate of interest be made dependent upon profits, and the money, instead of being placed as a debt, is placed so that every other creditor must be paid before the lender can receive back the smallest fraction, he, the lender, must then become liable to his 'last farthing and his last acre.' The consequences are, that those who embark in trade with the help of others consist, in a great measure, of the improvident class, who will give any terms, who have no additional stimulus to caution in preserving a friend's money as well as their own, and who have furnished no proof that they are known or trusted by capitalists at all; while those who, by their skill and integrity, have gained the confidence of influential friends, are effectually shut out. . . . It is admitted that, in the face of the law of unlimited liability, the mere fact of a large capitalist entering a company as an ordinary shareholder is of itself sufficient to show that he is not a person of thorough prudence. Thus the institutions which exercise the highest influence upon the finances and trade of the country, are avowedly thrown into the hands of an inferior and, to a certain extent, a speculative body."

The article closes with the following complimentary reference to the American shipping interest: —

"The struggle, however, upon which, owing to free trade and free navigation, we are happily compelled to enter, will force a speedy recognition of the real aspect of the case. With American shipmasters as our competitors, stimulated by a partnership in the vessels they command, and with the necessity for enlisting capital and the highest degree of intellectual energy, such as only the sense of partnership can awaken, in every branch of our home industry, whether agricultural or manufacturing, it will hardly be practicable that a delusion on the point can, under any circumstances, much longer be maintained."

**LIFE INSURANCE.** — Life insurance was first introduced in the year 1828–29 by the proprietary German Life Insurance Company (*Deutsche Lebensversicherungs Anstalt*) in Lubeck, founded in the year 1828, and in the year 1829 by the Mutual Life Insurance Bank for Germany (*Lebensversicherungs-bank für Deutschland*), in Gotha. It has in truth made a satisfactory progress; but is still by many degrees not so familiar to the people, and will for a long time not be so much profited by, as in England. Much of this is owing to the difference of the national character, and to our laws relating to land, and we may even say to our inferior wealth, although the latter argument would lead us to expect the contrary result. Of mutual companies we possess six; namely, in Gotha, Leipsic, Brunswick, Hanover, Vienna, and Hamburg. The greatest and most important of all is that of Gotha, which consists of about 16,000 persons, and has 25,304,200 thalers (£ 3,643,460) insured. After Gotha comes Leipsic, with upwards of 5,000,000 thalers (£ 714,286); the rest have far less amounts of capital sums insured. A like number of proprietary companies have been established in Lubeck, Berlin, Trieste, Munich, Frankfort, and Hamburg; but altogether they are far from having yet reached the sum which Gotha has obtained by itself. The greatest is the Berlin company, with 8,000,000 thalers (about £ 1,143,000); after that follows Lubeck with 8,000,000 marks current (about £ 470,000). In general the companies in Germany may be considered to be in a healthy state; they have all been formed on the model of the English companies, and their operations are founded on the best recognized tables of mortality in England. Whosoever at first merely copies tables of rates, without a mathematical knowledge of the construction of tables of mortality, soon becomes convinced of the untenable character of his business, and has afterwards to make good the losses which he may have incurred at an earlier period. On the other hand, we have been for several years employed in bringing into consideration these long-neglected statistics; and foreign countries may at no distant time expect to procure some good tables of observations of mortality in Germany. Amongst others, I may mention those of Herr Oberrechnungs-rath Brune, in Berlin, and of the Statistical Society for the Kingdom of Saxony, in Dresden, by whom this subject is earnestly inquired into.

Besides the above-mentioned grounds why life insurance is yet so little participated in by us, may be reckoned a very important one, — the defects arising from too great competition. Unusually powerful reasons concur on all sides in this year in proving this assertion. In the town of Cologne a company has been founded called the *Germania*, with a share capital of 6,000,000 thalers (£ 857,000); in Leipsic, another of the same kind, the *Teutonia*, has been projected, with 1,000,000 thalers share capital (£ 143,000); and the Prussian National Insurance Company (*Preussische National Versicherung Gesellschaft*), in Stettin, and the *Azienda Assicuratrice*, in Trieste, are desirous of extending their insurances to the lives of men. So that, if the government grant permission, we shall have in 1851 no less than four new proprietary life insurance companies! — *London Assurance Magazine*.

**TREMONT BANK BUILDING.** — The Tremont Bank Company have lately erected a most beautiful building near the corner of State and Congress Streets. It is four stories high, and 130 feet deep, fronting on State Street, and extending back to Post-Office Avenue, with an entrance both in front and rear. The edifice is in truth two buildings, there being only an entry between.

The front is of Connecticut freestone, and the style of the architecture Italian, of the Palladian school, though the cornice is nearly a copy from one of Vignola's. The first story is a series of three arches with rusticated piers and voussoirs, surmounted by a stone balcony; the second-story windows have moulded architraves or pilasters, and carved consoles, supporting circular and triangular pediments; the third-story windows are finished in the same manner, but with horizontal cornices, and a stone balustrade before each window; the fourth-story windows are architraves only, but broken at the angles of the openings, and surmounted by horizontal cornices.

The lower story is occupied by the City Mutual Insurance Company in front, and by the Alliance Insurance Company in the rear. The second story is used entirely for banking purposes, the Tremont Bank occupying the room in the front of the building, and the Shawmut Bank that in the rear. These two rooms are lighted both at the side and above, and are supplied with every thing that convenience or elegance could suggest. They are without doubt the most elegant banking rooms in this part of the country. Mr. C. E. Parker was the architect, and Mr. F. W. R. Emery the builder.

## BANK STATISTICS.

## INDIANA.

*Comparative View of the Liabilities and Resources of the State Bank of Indiana, 1846, 1847, 1848, 1850, 1851.*

LIABILITIES.	Nov., 1846.	Nov., 1847.	Nov., 1848.	Nov., 1850.	Nov. 15, 1851.
Capital owned by the State, . . .	\$ 935,854	\$ 968,054	\$ 982,404	\$ 1,008,604	\$ 1,006,604
"    "    by individuals, . . .	1,147,970	1,114,820	1,100,508	1,074,348	1,076,403
Circulation, . . . . .	3,336,533	3,606,462	3,552,210	3,421,445	3,772,193
Individual deposits, . . . . .	409,990	555,774	452,625	556,433	630,036
Due to the State, . . . . .	89,535	134,200	81,646	46,231	42,035
Bank balances, . . . . .	47,896	34,545	82,293	112,175	123,817
Dividends unpaid, . . . . .	31,832	25,710	21,681	27,662	27,907
Fund to cover losses, . . . . .	413,560	453,444	527,800	750,678	806,914
Profit and loss, . . . . .	23,820	77,176	125,454	131,860	216,257
Balances between branches, . . .	73,310	69,150	71,420	6,168	15,809
<b>Total liabilities, . . . . .</b>	<b>\$ 6,510,280</b>	<b>\$ 7,039,324</b>	<b>\$ 6,997,937</b>	<b>\$ 7,135,602</b>	<b>\$ 7,717,875</b>
RESOURCES.	Nov., 1846.	Nov., 1847.	Nov., 1848.	Nov., 1850.	Nov. 15, 1851.
Bills discounted, . . . . .	\$ 1,659,358	\$ 1,574,722	\$ 1,647,620	\$ 1,709,935	\$ 1,522,358
Bills of exchange, . . . . .	1,359,385	1,464,076	1,791,320	2,414,961	2,835,267
Suspended debt, . . . . .	577,647	460,115	442,600	270,213	264,102
Bank balances, . . . . .	803,065	1,081,195	227,040	148,861	499,736
Branch " . . . . .	68,534	81,272	148,640	. . . . .	. . . . .
Real and personal estate, . . . .	349,790	373,460	382,076	364,233	324,827
Funds in transit, . . . . .	113,578	247,700	231,156	247,048	266,301
Sinking fund and Treasury notes, .	419,310	337,555	241,106	108,486	. . . . .
Indiana and United States bonds, .	36,000	36,000	71,000	. . . . .	. . . . .
Notes of other banks, . . . . .	119,976	299,250	147,451	224,842	334,286
Coin on hand, . . . . .	1,003,647	1,083,990	1,273,896	1,197,690	1,245,408
Eastern funds, . . . . .	. . . . .	. . . . .	394,025	449,153	425,690
<b>Total resources, . . . . .</b>	<b>\$ 6,510,280</b>	<b>\$ 7,039,324</b>	<b>\$ 6,997,937</b>	<b>\$ 7,135,602</b>	<b>\$ 7,717,875</b>

## ALABAMA.

*Bank of Mobile, 1847-1851.*

RESOURCES.	Nov., 1847.	Oct. 29, 1851.
Bills and notes discounted, . . . . .	\$ 771,345	\$ 1,467,158
Exchange maturing on London, . . .	204,871	505,250
"    "    on New York, . . . . .	254,904	81,738
"    "    on New Orleans, . . . . .	81,407	552,530
Balances in London and Paris, . . .	641,965	173,713
Due by Banks in New York, . . . . .	1,194,185	120,590
"    "    New Orleans, . . . . .	287,765	25,660
Real Estate, . . . . .	179,520	50,396
Mortgages and other loans, . . . .	26,647	134,400
Stocks, . . . . .	158,658	98,480
Due by State of Alabama, . . . . .	90,000	110,123
United States Government Stocks, .	55,400	55,400
Gold and silver coin, . . . . .	1,097,657	936,235
Protested bills of exchange, . . . .	44,597	76,722
Miscellaneous, . . . . .	10,280	4,458
<b>Total resources, . . . . .</b>	<b>\$ 5,099,201</b>	<b>\$ 4,392,853</b>



	LIABILITIES.	Nov., 1847.	Oct. 29, 1851.
Capital stock, . . . . .		\$1,500,000	\$1,500,000
Profit and loss, . . . . .		103,946	305,830
Bank of the State of Alabama, . . . . .		526,561	. . . .
Balances due to other banks, . . . . .		12,435	37,877
Individual deposits (including dividends unpaid), . . . . .		644,941	575,367
Circulation, . . . . .		2,311,318	1,973,779
Total liabilities, . . . . .		\$5,099,201	\$4,392,853

*Extract from the Report of the Bank Commissioners.*

The Commissioners have carefully examined the assets of the bank, and in making their estimate have left out every thing they considered doubtful, although, in their opinion, a portion of that amount will be paid.

The amount due from the State of Alabama is money advanced by the bank in payment of semiannual interest accruing on bonds of the State indorsed by the bank.

The Report gives evidence of the good condition of the bank, and also of the increased facilities afforded to the business community by the discounts and purchases of exchange. These operations have been founded on *bonâ fide* business paper, and exchange drawn against purchases of cotton. The real and contemplated losses consequent upon these operations are very small, especially so when we consider the continued ruinous depreciation in the value of our great staple during the last twelve months.

In conclusion, we will add that such assistance as we needed in making our examination was cheerfully rendered by the officers of the bank.

PENNSYLVANIA.

*Bank Dividends in Philadelphia.*

Banks.	Capital.	Par value.	Market value.	Dividends.		Dividend
				May.	Nov.	in Nov.
Philadelphia Bank, . . . . .	\$1,150,000	\$100.00	\$125.00	6	5	\$57,500
Farmers and Mechanics' Bank, . . . . .	1,250,000	50.00	65.00	5	5	62,500
Girard Bank, . . . . .	1,250,000	12.50	12.00	3	3	37,500
Commercial Bank, . . . . .	1,000,000	50.00	55.00	4	4	40,000
Mechanics' Bank, . . . . .	800,000	20.00	27.50	6	6	48,000
Western Bank, . . . . .	500,000	50.00	62.50	5	7	35,000
Northern Liberties, . . . . .	350,000	35.00	56.00	5	5	17,500
Manufacturers and Mechanics', . . . . .	300,000	25.00	26.00	4	4	12,000
Southwark Bank, . . . . .	250,000	50.00	71.00	7	5	12,500
Kensington Bank, . . . . .	250,000	50.00	62.50	10	5	12,500
Bank of Commerce, . . . . .	250,000	50.00	66.00	5	5	12,500
Bank of Penn Township, . . . . .	225,000	22.50	27.50	5	5	11,250
Tradesmen's Bank, . . . . .	150,000	50.00	51.00	3	3	4,500
Total, . . . . .	\$7,725,000					\$365,250

The Bank of North America has since declared a dividend of 5 per cent., and the Bank of Pennsylvania, 4 per cent., for January, 1852.

## DISTRICT OF COLUMBIA.

*Bank of the Metropolis, Washington, D. C.*

LIABILITIES.	Feb., 1846.	Sept. 11, 1850.	Dec. 12, 1851.
Capital stock paid in, . . . . .	\$ 500,000	\$ 353,300	\$ 353,300
Profit and loss, . . . . .	42,950	67,274	61,073
Individual deposits (with dividends unpaid), . . . . .	294,646	385,431	309,971
Circulation, . . . . .	147,425	99,117	57,722
Public deposits, . . . . .	7,347	3,060	3,060
Bank balances, . . . . .	50,414	64,790	50,816
Total liabilities, . . . . .	\$ 1,042,782	\$ 972,972	\$ 835,942
RESOURCES.	Feb., 1846.	Sept. 11, 1850.	Dec. 12, 1851.
Bills and notes discounted, . . . . .	\$ 700,992	\$ 619,488	\$ 612,666
Real estate, . . . . .	41,034	50,366	27,240
Banks, corporation, and other stocks, . . . . .	65,900	10,316	10,338
Bank balances, . . . . .	77,238	162,141	58,640
Notes and checks of other banks, &c., . . . . .	37,915	13,493	35,736
Specie on hand, . . . . .	119,703	117,168	91,322
Total resources, . . . . .	\$ 1,042,782	\$ 972,972	\$ 835,942

## MASSACHUSETTS.

*Liabilities and Resources of the Thirty Banks in Boston, May 3, 1851. From the Annual Report.*

LIABILITIES.	Capital.	Circulation.	Profits.	Bank Balances.	Deposits.
Merchants' Bank, . . . . .	\$ 3,000,000	\$ 759,281	\$ 384,738	\$ 1,232,312	\$ 937,630
State Bank, . . . . .	1,800,000	317,683	185,344	185,000	621,493
Bank of Commerce, . . . . .	750,000	556,963	30,334	466,110	660,126
City Bank, . . . . .	1,000,000	277,856	102,885	103,401	494,403
Globe Bank, . . . . .	1,000,000	199,967	125,134	340,015	320,921
Shoe and Leather Bank, . . . . .	750,000	227,597	97,426	274,380	217,842
Suffolk Bank, . . . . .	1,000,000	269,616	324,060	2,103,428	152,858
Tremont Bank, . . . . .	1,000,000	339,840	87,475	320,262	441,074
Union Bank, . . . . .	1,000,000	260,753	123,816	34,926	364,154
Exchange Bank, . . . . .	500,000	298,531	61,182	271,506	286,607
New England Bank, . . . . .	1,000,000	196,176	97,952	339,982	484,666
Boston Bank, . . . . .	900,000	230,068	89,408	71,088	500,696
Massachusetts Bank, . . . . .	800,000	134,024	48,222	32,660	247,523
North Bank, . . . . .	750,000	271,981	51,970	96,223	273,000
Market Bank, . . . . .	550,000	212,057	103,813	86,543	267,920
Granite Bank, . . . . .	500,000	233,056	42,698	101,428	258,096
Atlantic Bank, . . . . .	500,000	247,588	89,483	108,933	258,278
Atlas Bank, . . . . .	500,000	153,937	32,408	92,213	212,347
Bank of North America, . . . . .	500,000	330,466	10,240	56,975	276,653
Columbian Bank, . . . . .	500,000	110,509	26,907	. . .	152,475
Eagle Bank, . . . . .	500,000	174,063	45,130	18,658	374,657
Hamilton Bank, . . . . .	500,000	231,136	78,243	77,368	313,666
Shawmut Bank, . . . . .	500,000	204,520	63,562	149,742	215,616
Washington Bank, . . . . .	500,000	190,127	23,516	15,000	205,192
Grocers' Bank, . . . . .	300,000	221,696	14,013	163,848	159,453
Freeman's Bank, . . . . .	250,000	208,680	36,336	266	109,520
Boylston Bank, . . . . .	200,000	187,566	22,583	. . .	194,364
Cochituate Bank, . . . . .	150,000	166,404	7,918	. . .	34,203
Mechanics' Bank, . . . . .	150,000	154,005	13,944	21	68,273
Traders' Bank, . . . . .	400,000	193,537	43,658	54,860	235,137
Total, 30 banks, . . . . .	\$ 21,780,000	\$ 7,679,680	\$ 2,465,373	\$ 6,787,148	\$ 9,397,891

RESOURCES.	Coin.	Real Estate.	Bank-notes.	Bank Balances.	Loans.
Merchants' Bank, . . .	\$ 265,296	\$ 145,000	\$ 794,826	\$ 147,410	\$ 4,961,430
State Bank, . . .	89,423	. . .	185,718	69,000	2,765,380
Bank of Commerce, . . .	106,560	15,355	776,983	68,593	1,496,040
City Bank, . . .	74,256	30,000	28,395	204,928	1,640,967
Globe Bank, . . .	82,018	55,000	176,621	49,857	1,622,541
Shoe and Leather Bank, . . .	44,310	. . .	113,950	103,110	1,305,875
Suffolk Bank, . . .	220,783	100,000	999,050	852,133	1,677,998
Tremont Bank, . . .	64,483	40,000	292,388	88,260	1,703,520
Union Bank, . . .	70,438	. . .	99,923	53,860	1,609,430
Exchange Bank, . . .	49,078	. . .	287,466	83,318	997,965
New England Bank, . . .	52,750	30,000	213,987	202,585	1,619,433
Boston Bank, . . .	80,850	50,000	164,850	48,590	1,455,963
Massachusetts Bank, . . .	39,900	75,812	61,065	79,681	1,005,970
North Bank, . . .	19,896	. . .	131,508	24,413	1,267,355
Market Bank, . . .	44,283	. . .	95,937	62,365	1,047,747
Granite Bank, . . .	74,973	. . .	126,111	53,686	880,520
Atlantic Bank, . . .	35,210	20,000	125,352	124,974	998,726
Atlas Bank, . . .	32,996	. . .	59,318	70,921	827,664
Bank of North America, . . .	32,544	. . .	75,038	209,417	857,335
Columbian Bank, . . .	30,360	. . .	60,404	13,502	684,625
Eagle Bank, . . .	59,750	. . .	86,750	20,000	946,008
Hamilton Bank, . . .	48,084	. . .	143,472	100,570	908,287
Shawmut Bank, . . .	51,356	. . .	124,452	31,102	926,528
Washington Bank, . . .	25,036	. . .	80,429	27,448	800,920
Grocers' Bank, . . .	19,636	. . .	192,413	70,115	566,875
Freeman's Bank, . . .	30,391	11,767	1,300	58,054	505,307
Boylston Bank, . . .	10,258	. . .	93,881	102,238	398,156
Cochituate Bank, . . .	6,224	. . .	2,082	54,613	295,606
Mechanics' Bank, . . .	10,918	16,350	995	59,340	298,638
Traders' Bank, . . .	45,328	1,110	52,768	89,271	738,712
Total, 30 banks, . . .	\$ 1,817,388	590,394	\$ 5,647,432	\$ 3,223,354	\$ 36,811,521

*Condensed Statement of the Capital, Circulation, Deposits, Profits, Coin, and Loans of Thirty Banks in Boston, and One Hundred Banks in the Interior; for the Years 1847 - 1851.*

LIABILITIES.	Sept., 1847.	Sept., 1848.	Sept., 1849.	Sept., 1850.	May, 1851.
Capital, . . .	\$ 32,113,150	\$ 32,985,000	\$ 34,630,011	\$ 36,925,050	\$ 38,265,000
Circulation, . . .	14,719,422	10,807,193	13,014,194	13,984,953	16,365,195
Do. under \$5, . . .	2,476,940	2,388,837	2,686,741	3,020,873	3,329,503
Profits on hand, . . .	3,499,583	3,737,434	3,011,996	4,627,660	3,824,608
Due other banks, . . .	7,263,282	4,083,650	4,720,816	6,549,930	*7,003,441
Deposits, . . .	10,265,555	8,094,970	9,875,317	11,176,827	12,969,775
Do. on interest, . . .	764,715	470,016	746,415	442,085	870,129
Total liabilities, . . .	\$ 71,102,647	\$ 62,567,100	\$ 68,685,490	\$ 76,727,378	\$ 82,627,651
RESOURCES.	Sept., 1847.	Sept., 1848.	Sept., 1849.	Sept., 1850.	May, 1851.
Gold and silver, . . .	\$ 3,943,954	\$ 2,578,030	\$ 2,749,917	\$ 2,993,178	\$ 2,478,888
Real estate, . . .	1,062,950	1,073,116	1,126,162	988,236	998,214
Notes of other banks, . . .	3,030,865	2,130,578	3,416,074	3,715,848	5,837,836
Do. out of the State, . . .	232,698	206,240	321,077	332,673	397,951
Due from banks, . . .	5,571,240	3,469,034	4,472,950	5,335,003	6,550,223
Total loans, . . .	57,260,940	53,110,102	56,599,310	63,330,024	66,341,109
Dorchester and M. B. loss, . . .	. . .	. . .	. . .	32,416	23,450
Total resources, . . .	\$ 71,102,647	\$ 62,567,100	\$ 68,685,490	\$ 76,727,378	\$ 82,627,651

\* Including an error of \$ 1,520 in the statement of the Adams Bank.

*Table exhibiting the Number of Banks in Massachusetts, the Amount of Capital Stock paid in, of Bills in Circulation, and of Specie on hand, since 1815, as the same appear on the Official Returns.*

Year.	No. of Banks.	Capital Stock.	Bills in Circulation.	Specie.	Proportion of Bills to Specie.
1815	24	\$ 11,287,500.00	\$ 2,606,611.00	\$ 3,277,884.00	\$ 0.79 4-10 of Pap. to 1 of Sp.
1816	24	12,425,000.00	2,232,100.00	1,430,200.00	1.56 6-100 " 1 "
1817	26	11,570,900.00	2,482,500.00	1,589,742.00	1.56 1-10 " 1 "
1818	27	9,743,425.00	2,631,150.00	1,147,920.00	2.29 2-10 " 1 "
1819	28	10,374,750.00	2,437,802.00	1,040,102.00	2.34 3-10 " 1 "
1820	28	10,600,000.00	2,562,000.00	1,304,600.00	1.96 3-10 " 1 "
1821	28	9,800,000.00	2,859,540.00	2,784,614.00	1.02 6-10 " 1 "
1822	33	10,821,125.00	3,096,800.00	890,000.00	3.36 6-100 " 1 "
1823	34	11,650,000.00	3,145,010.00	911,112.00	3.45 1-10 " 1 "
1824	37	12,907,300.00	3,742,231.00	1,777,131.00	2.10 5-10 " 1 "
1825	48	14,535,000.00	3,508,100.00	1,039,120.00	3.37 5-10 " 1 "
1826	60	16,649,996.00	3,644,400.00	1,323,820.00	2.75 3-10 " 1 "
1827	60	18,702,150.00	5,567,606.50	1,711,036.61	3.25 3-10 " 1 "
1828	65	20,140,050.00	5,034,593.50	1,225,294.42	4.10 9-10 " 1 "
1829	66	20,420,000.00	4,747,794.50	987,210.47	4.80 9-10 " 1 "
1830	63	19,295,000.00	5,124,090.00	1,258,444.05	4.07 1-10 " 1 "
1831	70	21,439,800.00	7,739,317.00	919,959.73	8.41 2-10 " 1 "
1832	82	24,520,200.00	7,122,866.00	902,205.78	7.88 3-10 " 1 "
1833	102	28,236,250.00	7,889,110.67	922,309.84	8.55 3-10 " 1 "
1834	102	29,409,450.00	7,650,146.75	1,160,296.09	6.59 3-10 " 1 "
1835	105	30,410,000.00	9,430,357.72	1,136,444.30	8.29 8-10 " 1 "
1836	117	34,478,110.00	10,892,249.50	1,455,230.47	7.48 5-10 " 1 "
1837	129	38,280,000.00	10,273,118.71	1,517,984.02	6.76 7-10 " 1 "
1838	120	34,630,000.00	9,400,512.75	2,394,624.24	3.92 5-10 " 1 "
1839	118	34,435,600.00	7,875,322.50	1,838,272.99	4.28 4-10 " 1 "
1840	115	33,750,000.00	9,112,882.25	2,991,804.50	3.04 5-10 " 1 "
1841	114	33,360,000.00	9,509,112.00	3,111,837.94	3.05 5-10 " 1 "
1842	111	32,631,080.00	8,049,906.75	2,632,309.55	3.00 1-10 " 1 "
1843	103	31,099,800.00	9,219,267.50	7,298,815.69	1.26 3-10 " 1 "
1844	103	30,020,000.00	12,183,158.25	4,587,140.80	2.65 5-10 " 1 "
1845	104	30,970,000.00	14,339,686.00	3,357,904.35	4.27 4-100 " 1 "
1846	105	31,160,000.00	14,591,914.50	3,054,755.63	4.77 6-10 " 1 "
1847	109	32,113,150.00	17,196,362.25	3,943,973.58	4.36 1-100 " 1 "
1848	112	32,935,000.00	13,196,029.00	2,578,030.32	5.11 8-10 " 1 "
1849	119	34,630,011.00	15,700,935.25	2,749,917.32	5.70 9-10 " 1 "
1850	126	36,925,050.00	17,005,826.25	2,993,178.29	5.68 1-10 " 1 "
1851	130	38,265,000.00	19,694,698.25	2,478,858.78	7.94 5-10 " 1 "

*Table exhibiting the Number of Banks in Massachusetts, their Capital Stock, Bills in Circulation, Specie on hand, &c., every Fifth Year, from 1803 to 1848, as shown by Official Returns.*

Year.	No. of Banks.	Amount of Capital.	Bills in Circulation.	Specie.	Proportion of Bills to Specie.
1803	7	\$ 2,225,262.00	\$ 1,565,189.00	\$ 1,079,928.00	\$ 1.44 9-10 of Pap. to 1 of Sp.
1808	16	5,960,000.00	1,038,042.00	1,015,843.95	1.02 1-10 " 1 "
1813	16(?)	8,895,000.00	2,186,837.00	5,780,798.08	0.37 8-10 " 1 "
1818	27	9,743,425.00	2,631,150.00	1,147,920.00	2.29 2-10 " 1 "
1823	34	11,650,000.00	3,145,010.00	911,112.00	3.45 1-10 " 1 "
1828	65	20,140,050.00	5,034,593.50	1,225,294.42	4.10 9-10 " 1 "
1833	102	28,236,250.00	7,889,110.67	922,309.84	8.55 3-10 " 1 "
1838	120	34,630,000.00	9,400,512.75	2,394,624.24	3.92 5-10 " 1 "
1843	103	31,099,800.00	9,219,267.50	7,298,815.69	1.26 3-10 " 1 "
1848	112	32,935,000.00	13,196,029.00	2,578,030.32	5.11 8-10 " 1 "

Table exhibiting the Capital of the Banks of Massachusetts, and the Amount of their immediate Liabilities, or Circulation and Deposits, and the Specie on hand, in each Year, from 1815 to 1851, inclusive.

Year.	Amount of Capital.	Bills in Circulation and Deposits.	Specie.	Proportion of Circulation and Deposits to Specie.
1815	\$ 11,287,500.00	\$ 5,658,502.00	\$ 3,277,884.00	\$ 1.72 6-10 of Circ. and Dep. to 1 of Sp.
1816	12,425,000.00	4,523,800.00	1,430,200.00	3.16 3-10 " " 1 "
1817	11,570,900.00	5,771,902.00	1,589,742.00	3.63 7-100 " " 1 "
1818	9,748,425.00	5,679,665.00	1,147,920.00	4.94 7-10 " " 1 "
1819	10,374,750.00	6,492,503.00	1,040,102.00	6.24 2-10 " " 1 "
1820	10,600,000.00	5,759,420.00	1,304,600.00	4.41 4-10 " " 1 "
1821	9,800,000.00	8,548,447.00	2,784,614.00	3.06 9-10 " " 1 "
1822	10,821,125.00	6,297,240.00	890,000.00	7.07 5-10 " " 1 "
1823	11,650,000.00	6,550,411.00	911,112.00	7.18 9-10 " " 1 "
1824	12,907,300.00	8,973,050.00	1,777,131.00	5.04 9-10 " " 1 "
1825	14,535,000.00	6,223,210.00	1,039,120.00	5.98 8-10 " " 1 "
1826	16,649,996.00	6,281,135.00	1,323,820.00	4.74 4-10 " " 1 "
1827	18,702,150.00	8,445,045.52	1,711,035.61	4.93 5-10 " " 1 "
1828	20,140,000.00	7,054,819.64	1,225,294.42	5.75 7-10 " " 1 "
1829	20,420,000.00	7,293,017.51	987,210.47	7.38 7-10 " " 1 "
1830	19,295,000.00	8,699,047.04	1,258,444.06	6.91 2-10 " " 1 "
1831	21,439,800.00	12,141,282.62	919,959.73	13.19 7-10 " " 1 "
1832	24,520,200.00	10,061,826.33	902,205.78	11.15 2-10 " " 1 "
1833	28,236,250.00	11,605,293.04	922,309.84	12.58 2-10 " " 1 "
1834	29,409,450.00	12,560,200.47	1,160,296.09	10.82 4-10 " " 1 "
1835	30,410,000.00	15,852,624.30	1,136,444.30	13.94 9-10 " " 1 "
1836	34,478,110.00	19,676,766.44	1,455,230.47	13.52 1-10 " " 1 "
1837	33,280,000.00	18,740,316.73	1,517,984.02	12.34 5-10 " " 1 "
1838	34,630,000.00	16,523,154.77	2,394,624.24	6.90 1-100 " " 1 "
1839	34,485,600.00	12,642,733.00	1,838,272.99	6.87 7-10 " " 1 "
1840	33,750,000.00	16,370,292.80	2,991,804.50	5.47 1-10 " " 1 "
1841	33,360,000.00	16,654,011.55	3,111,837.84	5.35 1-10 " " 1 "
1842	32,631,060.00	14,180,071.48	2,682,309.55	5.24 9-10 " " 1 "
1843	31,089,800.00	16,518,083.19	7,298,815.69	2.26 3-10 " " 1 "
1844	30,020,000.00	24,417,463.19	4,537,140.80	5.32 3-10 " " 1 "
1845	30,970,000.00	26,007,819.91	3,357,904.35	7.74 5-10 " " 1 "
1846	31,160,000.00	24,051,290.42	3,054,755.68	7.21 8-10 " " 1 "
1847	32,113,150.00	27,461,917.38	3,943,973.58	6.96 3-10 " " 1 "
1848	32,985,000.00	21,290,999.48	2,578,030.32	8.25 8-10 " " 1 "
1849	34,630,011.00	25,576,252.22	2,749,917.32	9.30 7-100 " " 1 "
1850	36,925,050.00	28,182,653.84	2,993,178.29	9.41 5-10 " " 1 "
1851	38,265,000.00	32,664,473.47	2,478,858.78	13.17 7-10 " " 1 "

Average proportion of Circulation and Deposits since 1815, \$ 7.27 86-100 to 1 of Specie.

### Redemption of Country Money by the Suffolk Bank.

THE redemption of country money at the Suffolk Bank for the past few years has been as follows:—

1834, . . . \$ 76,248,000	1840, . . . \$ 94,214,000	1846, . . . \$ 141,540,000
1835, . . . 95,543,000	1841, . . . 109,068,000	1847, . . . 165,487,000
1836, . . . 126,691,000	1842, . . . 105,670,000	1848, . . . 178,100,000
1837, . . . 105,457,000	1843, . . . 104,443,000	1849, . . . 199,400,000
1838, . . . 76,634,000	1844, . . . 126,225,000	1850, . . . 220,932,000
1839, . . . 107,201,000	1845, . . . 137,977,000	1851, . . . 244,311,000

And for the months of 1851 as follows:—

January, . . . \$ 20,763,000	May, . . . \$ 23,100,000	September, . . . \$ 20,337,000
February, . . . 16,064,000	June, . . . 20,600,000	October, . . . 23,900,000
March, . . . 18,218,000	July, . . . 21,882,000	November, . . . 19,565,000
April, . . . 21,400,000	August, . . . 18,953,000	December, . . . 19,609,000

## BANK ITEMS.

**NEW HAMPSHIRE.**—The Indian Head Bank, at Nashville, N. H., commenced business a few weeks since with a capital of \$100,000. President, Joseph Greely, Esq.; Cashier, A. McKean, Esq.

**RHODE ISLAND.**—Henry C. Stevens, Esq., has been elected Cashier of the Newport Bank, in place of Stephen Cahoon, Esq., who retires voluntarily at an advanced age, after having served twenty years as cashier of the institution.

"Mr. Cahoon is justly esteemed as one of our most valued citizens. He is widely known throughout the State, and for eleven years served the public faithfully as General Treasurer. Advanced years and continued ill-health warn him to retire from the cares and perplexities of a business life. He has proved a good and faithful servant; and now, with a character free from spot or blemish, he leaves the responsibilities of his office to younger and more active hands.

"At a subsequent meeting of the Directors, Mr. Henry C. Stevens was chosen Cashier. Mr. Stevens, though a little more than twenty-one years of age, is well qualified to fill the post to which he has been elected. For several years he has assisted Mr. Cahoon in his duties, and by his assiduity and business talents he won the confidence and esteem of the stockholders and directors."—*Newport Mercury*.

**CONNECTICUT.**—Charles G. Sistare, Esq., has been appointed Cashier of the Union Bank, New London, to fill the vacancy occasioned by the death of his father.

**NEW YORK.**—The Empire City Bank commenced business on the 2d of January, 1852, at the corner of Broadway and Amity Street. W. C. Bouck, Esq., President, and H. T. Kiersted, Esq., Cashier.

*Bank of the Republic.*—J. T. Soutter, Esq. has been elected Cashier of the Bank of the Republic in place of Henry F. Vaile, Esq., who has accepted the Cashiership of the Bank of Commerce in New York.

*Goshen.*—The Goshen Bank went into operation last week. Its capital is \$110,000, and the circulation is secured in the Bank Department by the deposit of the following securities:—

\$ 37,400 of U. S. 6 per ct. stocks payable in 1856	\$ 11,000 of N. Y. State 6 p. c. stocks payable 1855
29,000 of N. Y. State 5½ " " " 1851	19,760 " " " " 1855
5,000 " " " " " 1865	

The bills are to be redeemed at par at the Ocean Bank in the city of New York.

*Salt Springs Bank.*—A bank under this name has been organized in the city of Syracuse, New York, with a capital of \$125,000. Thomas G. Alvord is President, William Clark, Vice-President, and Edward B. Judson, Cashier. It will commence operations about the 1st of April. Three new banks, with an aggregate capital of \$442,000, have been established in Syracuse within the last twelve months.

*Buffalo.*—The building occupied by the Bank of Attica and by the Bank of Lake Erie was totally destroyed on Saturday, December 27. The books, papers, and valuable effects were saved, so that the business of both institutions was resumed in new premises.

*Saratoga County.*—James T. Lee, Esq., of Buffalo, has been elected Cashier of the Farmers' Bank of Saratoga County, in place of Mr. Gunnison, resigned.

*Fredonia.*—James H. Madison, Esq. has been elected Cashier of H. J. Miner's Bank, Fredonia, in place of N. B. Hungerford, Esq., resigned.

**PENNSYLVANIA.**—*Bank of the United States.*—At an annual meeting of the stockholders of the Bank of the United States, held January 5, 1852, at No. 70 Walnut Street, Philadelphia, pursuant to public notice, Mr. James Robertson was called to the Chair, and Wm. H. Hood was appointed Secretary. James Robertson, Esq., the President, made verbally a statement, that, as nothing had occurred since the last meeting of the stockholders to require any action on the part of the Directors, of course he had nothing of importance to communicate at the present meeting. Mr. Josiah Randall offered the following resolution:—

*Resolved*, That the stockholders of the Bank of the United States, by a majority of the votes now present, or represented, according to the scale of votes allowed at elections of Directors, do now decide: That it is expedient for the Bank of the United States to make a general assignment of the real and personal estate, goods, chattels, rights, and credits, whatsoever and wheresoever, of the said corporation, to trustees for the payment or securing the payment of the debts of the same.

On motion of Mr. Randall, seconded by Mr. Macalester, it was resolved, That the foregoing resolution be submitted to a committee to report thereon.

It was moved and seconded, that the committee consist of five, which was agreed to.

On motion, it was resolved, That Messrs. James Robertson, Josiah Randall, Geo. M. Wharton, Christopher Fallon, and Wm. Rawle comprise that committee, with power to fill vacancies.

On motion, it was resolved, That when this meeting adjourns it adjourns to meet on the third Monday of February, unless earlier called together by the committee, to hear their report.

Adjourned.

WM. H. HOOD, *Secretary*.

VIRGINIA. — A defalcation of \$ 10,000 has been acknowledged by the teller of the Exchange Bank of Virginia at Petersburg.

This defalcation will fix upon the teller suspicion of having occasioned a deficiency in the funds of the cashier's vault a few years since. The cashier, Mr. Patrick Durkin, was sick for some time, and it became necessary to take some money from his vault for the purpose of the bank. His keys were sent for and obtained, and the money wanted taken from his vault. When Mr. Durkin recovered, he found a deficit in his cash of \$ 15,000, — which sum he alleged had been abstracted in bank-notes of the Exchange Bank. Every effort was made at the time to discover some clew to the matter, but without the least success. The event occasioned much trouble, especially to Mr. Durkin, a gentleman who had always occupied the position in society of an intelligent and upright business man, with a character for honesty and integrity without a stain.

Portsmouth. — The Branch Bank of Virginia at Portsmouth was robbed on Monday, January 19th. The whole amount abstracted was \$ 87,000, consisting of \$ 27,782 in American gold, \$ 18,100 in notes, \$ 27,750 in notes of different denominations, and \$ 13,000 in notes of Virginia and North Carolina banks. Only eleven one-hundred-dollar bills have been legitimately issued. No clew is obtained to the robbers.

KENTUCKY BANK DIVIDENDS, *January*, 1852. — Farmers' Bank of Kentucky, 6 per cent. (12 months). Bank of Louisville,  $4\frac{1}{2}$  per cent., and an extra dividend of  $2\frac{1}{2}$  per cent. The Bank of Kentucky,  $4\frac{1}{4}$  per cent. The Northern Bank of Kentucky, 5 per cent. The Southern Bank of Kentucky, 4 per cent.

MICHIGAN. — The Macomb County Bank has been restored to active operations, by responsible parties, at Mount Clemens, Michigan. E. Farnsworth, Esq., President; H. C. Kibbe, Esq., Cashier.

OHIO. — The following banks in Ohio have been organized under the general banking law of that State: —

The Iron Bank of Ironton.	The Miami Valley Bank, at Dayton.
The Springfield Bank, at Springfield.	The Savings Bank of Cincinnati.
The Stark County Bank, at Canton.	The Forest City Bank, at Cleveland.
The Merchants' Bank of Massillon.	The Bank of Marion.
The Pickaway County Bank, at Circleville.	The Franklin Bank of Portage County.
The Champaign County Bank, at Urbana.	The Union Bank of Sandusky City.

Sandusky. — The *Sandusky City Register* informs us that the Union Bank of Sandusky has been organized in that city under the "Free Banking Law." Its present capital is \$ 100,000, the most of which is fully paid in. The *Register* says: —

"It is one of the most gratifying features of the Union Bank, that it has been established by men of capital, — money-lenders, instead of money-borrowers. The stock has been taken mainly by gentlemen of this city, who are known as well for their integrity of character as for their wealth.

Cincinnati. — Wm. Smead, Esq., the Cincinnati banker who recently contributed \$ 1,000 to the Kossuth Fund in New York, made the handsome donation of \$ 5,000 as a Christmas offering to the widows and orphans of Cincinnati.



AMERICAN STOCKS IN EUROPE AT THE CLOSE OF 1851. — Messrs. Baring Brothers & Co., in their circular, afford the following information on American stocks: —

"The year which has just expired has been one of regular, but not of very large, investments in these securities; nor could it be expected that the sudden and extraordinary demand produced by the Continental events of 1848 should be continued on an equally large scale for many years, unless some fresh stimulus were given to it; whilst the high prices and limited duration of the Federal stocks, and of those of some leading States, have checked both speculation and the temptation of a high rate of interest.

These high prices have been maintained by the more general appreciation of the principal American securities, as well as by the cessation of reduction in the issues. Our fresh supplies have mostly consisted of Maryland sterling bonds, Virginia 6 per cent. coupon bonds, Boston city stock, and Canada 6 per cent. bonds, whilst the tendency of prices has been to attract, in a more or less degree, Pennsylvania, Alabama, Illinois, Indiana, Mississippi, Michigan, and Florida, back to the United States.

If tranquillity and confidence be established in Europe, capital will be turned towards investments on this side of the Atlantic, the Continental demand will be less, some readjustments may be made, and the range of prices will be more dependent on the state of the American and English money markets, as well as on the extent of fresh issues, than on the question of political revolutions.

The bonds of American railway companies have not yet obtained much currency in the London market, and where investments are desired the orders have been transmitted to the United States. Capitalists here, although they often take shares in foreign railways, have never seemed to like the debentures at fixed interest of such companies, and even in this country the debentures only of entirely or partially completed and revenue-giving lines are selected.

We subjoin the comparative prices of most American stocks now and at the corresponding period of last year, although in many cases they must be considered as nominal.

	January, 1851.	January, 1852.
United States, 6's, 1867-8, . . . . .	103 a 104½	104 a 106½
" " coupon bonds, 1868, . . . . .	108 a 109	106½ a 109½
Alabama dollar 5's, . . . . .	78, with dividend.	80 a 82, with dividend.
" sterling, . . . . .	79, ex dividend.	81, ex dividend.
Illinois Internal Improvement, . . . . .	52 a 55	51
Indiana State 5's, . . . . .	70 a 72	72½ a 74½
" " 2½ per cent. deferred, . . . . .	34 a 35	36 a 37
Kentucky 6's, . . . . .	91 a 94, ex dividend.	91 a 93, ex dividend.
Massachusetts 5's, . . . . .	105 a 106	107½ a 108½
Maryland 5's sterling, . . . . .	88 a 89, ex dividend.	87½ a 88½, ex dividend.
Mississippi 5's sterling, . . . . .	20	20½
Michigan, . . . . .	36	36½
New York 5's sterling, 1858, . . . . .	94 a 97	92 a 94
Ohio 6's, 1870-75, . . . . .	103 a 105	none.
Pennsylvania 5's, . . . . .	80½ a 82	81½ a 83
Virginia 6's stock, . . . . .	94 a 96	92 a 94, bonds 96 a 97.
Boston City, . . . . .	92½ a 93½	92 a 93

There has been no business for a long time in Louisiana, South Carolina, Florida, or New Orleans city stocks. A demand has shown itself latterly from Holland for United States Bank shares at 10s. a 12s. each."

NOTICE. — The *Merchants and Bankers' Almanac*, for 1852, is now published and ready for delivery. The volume for 1851 was issued at a price below the actual cost of the publication. A limited edition of the new volume has been prepared for sale, at One Dollar per volume, 188 pages octavo.

We are informed that Sections VII., VIII., and IX. of the law of Pennsylvania, contained in page 11 of the *Synopsis of the Usury Laws of the States*, have been recently repealed.

## DEATHS.

In Bath, Maine, on Thursday, December 25, Thomas Agry, Esq., Cashier of the Commercial Bank in that town.

In Westboro, on Wednesday, January 14, George Denny, Esq., President of the Granite Bank, Boston, in the 51st year of his age. Mr. Denny was formerly an influential member of the Massachusetts Senate from the Worcester District, and has for many years been one of the active trustees in the management of the State Reform School at Westboro.



## Notes on the Money Market.

BOSTON, JANUARY 24, 1852.

Exchange on London, 60 days, 110 to 110½.

THE rates for money remain as at our quotations in December. It may be said that negotiations are more readily made, and a fair prospect exists for greater ease in the money market for the next three months. The large balance of foreign trade exhibited against us in 1851 has been in a great measure cancelled; first, by the aid of shipments of gold coin; and, secondly, by the sale of American securities abroad. These are now more sought for by foreign capitalists, and at present are available as remittances to England and the Continent. This is, however, only a temporary payment, — it is a mere change of indebtedness, and final payment is yet to be made.

We quote strictly prime paper 8 a 9 per cent. in Boston, 7 a 8 per cent. in New York; loans on stock collaterals, 8 a 10 per cent.

The receipts of gold from California continue heavy, and there seems no doubt that the present year will witness as large arrivals as the last. So far, the increase of gold is not felt by the banks of the New England and adjoining States. It will be seen, by reference to statistical tables published by us, that the banks of Massachusetts and New York, as well as Maryland, do not possess as much specie as they had one or two years since. The same remark applies to the Bank of the State of Missouri (\$1,000,000 less than in 1849) and to the banks in Charleston, as well as some other cities.

The export of coin having now lessened, it is to be hoped that the country will be able to retain, during the year 1852, a large part of the product of California.

The annual statements of coinage, imports, and exports of gold and silver have been made up for the year 1851, and exhibit the following results: —

Table showing the Value of Gold and Bullion imported into the Port of New York from California, and the Amount exported from New York, for each Month in the Year 1851.

1851.	Imported.	Exported.	1851.	Imported.	Exported.
January, . . .	\$2,890,903	\$1,266,231	August, . . .	\$4,105,639	\$2,653,444
February, . . .	4,368,471	1,007,689	September, . . .	3,237,460	3,490,142
March, . . .	1,951,055	2,368,861	October, . . .	3,756,241	1,779,707
April, . . .	2,023,119	3,482,182	November, . . .	7,510,646	5,033,906
May, . . .	2,282,388	4,506,135	December, . . .	4,475,794	5,668,235
June, . . .	3,975,355	6,462,367	Totals, . . .	43,671,432	43,723,119
July, . . .	3,094,311	6,004,170			
Add exports from Boston, . . .					4,000,000
“ from Philadelphia, . . .					2,000,000
Total exports, . . .					\$49,723,119
Total receipts, . . .					43,671,432

It is believed that nearly twenty millions of dollars have been exported from California to European and other ports direct, during the year 1851, in addition to the large amounts above stated. It is no doubt from this source that the Bank of France and Bank of England have accumulated so largely during that period. The official report of the coinage at the French Mint shows the following remarkable increase during the last six years.

## Coinage of Gold at Paris, 1846 – 1851.

Year	Value.	£ 83,000 equal to	\$	402,550 or Francs	2,116,500
1846, . . .	308,000	“	1,493,800	“	7,854,000
“ 1847, . . .	2,587,000	“	12,546,950	“	65,968,500
“ 1848, . . .	1,094,000	“	5,257,400	“	27,642,000
“ 1849, . . .	3,407,000	“	16,523,950	“	86,878,500
“ 1850, . . .	10,183,000	“	49,387,550	“	259,666,500

The circulation of the Bank of France from March, 1848 (when the Bank legally suspended and its notes were made legal tender), to September, 1850, increased from 273 millions to 496 millions of francs, and the report for December, 1851, shows that the circulation is now about 586,000,000 francs. This rapid increase is attributed to the laws of 1848–49, by which the Bank was for the first time enabled to issue notes for 200 francs and 100 francs.

A proposition is about to be brought forward in Congress for an amendment of the tariff, so as to give such protection to the iron and cotton interests as will prevent in some measure the present excessive importations from Europe, and furnish some encouragement to American industry. During the last year we contributed largely to aid foreign labor, by the importation of goods which might have been manufactured in our own country and for our own benefit.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. I. NEW SERIES.      MARCH, 1852.      No. IX.  
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THE ADAPTATION OF RECENT INVENTIONS TO THE  
PURPOSES OF PRACTICAL BANKING.

A PRIZE ESSAY.

BY GRANVILLE SHARP, OF NORWICH, ENGLAND.

—————  
THE following is the first portion of the Banking Essay, by Mr. Granville Sharp, of the East of England Bank, at Norwich, to whom was awarded the prize of £100, offered by J. W. Gilbart, Esq., of the London and Westminster Bank.  
—————

"Every new development of Science may be looked upon as the opening of a fresh mine of wealth, awakening moral industry and sagacity, and employing, as it were, new capital of mind."

PERHAPS there are few men (if there be any), since the days of Adam Smith, who have done so much to advance Banking, as a science, and to promote its cultivation and practical development, as James William Gilbart, F.R.S., the originator of this humble Essay, who has for many years presided over the executive of the London and Westminster Banking Company, a commercial establishment, of recent origin indeed, but in the magnitude and importance of its operations inferior only to the Bank of England. Mr. Gilbart has announced in the *Bankers' Magazine* for January last, that he will present the sum of £100 to the author of the best Essay which shall be written in reply to the following question:—

VOL. I.

57

"In what way can any of the articles collected at the Industrial Exhibition of 1851 be rendered especially serviceable to the interests of practical banking?"

And in the same announcement is contained an intimation of what such articles may consist, viz. : —

*Architectural models* that may suggest improvements in the bank house or office.

*Inventions by which light, heat, and ventilation* may be secured, so as to promote the health and comfort of bank clerks.

*Discoveries in the Fine Arts*, by which the interior of the bank may be decorated, or the bank furniture rendered more commodious.

*Improvements in writing-paper*, pens, ink, account-books, scales, letter-copying machines, or other instruments used in carrying on the business.

*Improvements in printing and engraving*, by which banks may get their notes, receipts, letters of credit, and other documents, of a better kind, at a less expense, or so as to prevent forgery.

*New inventions in the construction of locks*, cash-boxes, and safes, which shall render property more secure against fire or thieves.

And, generally, all articles of every kind, which can be so applied as to improve, cheapen, or facilitate any of the practical operations of banking.

This announcement appears to have a twofold object ; — first, to secure to a large class of men a great advantage, by inducing them to give that amount of intelligent and careful attention to the scientific and really useful objects displayed at the Great Exhibition, which, without some such stimulus, would probably not have been elicited ; and secondly, to promote the convenience and welfare of the banking community, by pointing out, through the medium of a familiar and practical Essay, any objects which may seem calculated to assist its members in the prosecution of their business.

Although the proffered prize can be obtained by only *one*, the many unsuccessful competitors will have the consolation of not laboring in vain, inasmuch as they will have reaped a considerable share of practical and scientific knowledge, and have become the subjects of that wholesome mental influence which invariably accrues from the energetic direction of the mind to any object that widens its comprehensive faculties or dilates its powers. For this, at the least, every unsuccessful candidate will have to tender his sincerest thanks to the liberal originator of his essay, unsuccessful though it be. Another subject for great thankfulness is also found in the striking parallel which exists between the religious advancement of the several countries and the state of science and manufacture there prevailing, as indicated by their productions, which they have respectively sent over, — so prominently marked by our own position in the affair, establishing at once the fact that England's religious privilege and position stands intimately connected with England's productiveness and power.

As an essay of practical utility is the liberal founder's object, and as objects of practical utility are the subject of the writer's essay, the reader

will, it is presumed, expect to find plainness and perspicuity of expression, rather than studied elegance and purity of style.

So much having been most ably written upon the Great Industrial Exhibition supplies, it is hoped, a sufficient apology for the absence of any further introduction of the subject; one remark, however, may perhaps not improperly be here introduced, in reference to the apparent inconsistency between the avowed object of the royal founder of the National Exhibition, which was to promote closer and more intimate relations between our own and foreign countries, by affording encouragement to international trade and reciprocity of commerce; and the still continued fiscal burden of our duties of customs and inland revenue, especially when those duties are imposed between the mother country and her colonies.

The announcement of Mr. Gilbart's prize having been accompanied by a very comprehensive framework for the essay, it seems highly suitable to make *that* in some degree a guide as to the order of proceeding, and, without confining the writer strictly to its limits, to class the objects of remark as much as may be under its several heads. It must, of course, be apparent that many, perhaps most, of the inventions and articles which will be referred to have not an *exclusive* bearing upon banks or banking, or upon the comfort and convenience of those engaged therein; but this exclusive adaptation is not required in the announcement, and it is therefore submitted, that the following observations are perfectly within its scope, if the objects referred to can be shown to possess advantages in which the banking community may share, conjointly with other sections of the people generally.

I. The essayist's attention is, first of all, directed to "architectural models that may suggest improvements in the bank house or office."

The principal features and more substantial parts of banking-house architecture will generally be much affected by local circumstances, as well as by the character and amount of business to be transacted in the building.

These, therefore, may perhaps be deemed, though in themselves considerations of paramount importance, yet, for the present purpose, as somewhat subordinate to those internal details and minor arrangements, upon which the comfort and convenience of the occupants of such buildings *as are at present existing* so materially depend; and which, it is presumed, the proposer of the essay primarily contemplated.

Amongst these may be suggested the character and style of *windows*; the sort of *shutters*; the arrangement of *acoustic tubes*, as well as *stoves* or *warming apparatus*, *wind guards*, and *cows for chimneys*; — not omitting, although more connected with the original construction of the building, *fireproof floors* and *ceilings*, *windows* and *sashes*.

The architecture, however, of a banking-house, more especially if it be of a national character, or expected to assume an important position from the magnitude of its operations, should be marked externally, internally, and everywhere, by *stability*, as its leading feature; which a builder of intelligence will take care shall be combined with *taste*.

In the present highly enlightened and civilized state of society in England, it may, at first sight, be thought by some unseemly to erect a banking-house on the principle adopted at the Bank of England, where the whole of the four external faces of the building present to the observer a regular series of fortification, having all its windows facing inwards, and accessible from the four streets with which it is surrounded only by massive gates and doors; but when it is remembered that the Bank of England is intended and expected (and what contemplated banking-house is *not* intended) to endure for centuries, and to witness possibly political convulsions, as well as the wear and waste of time, it will be seen to be wise, even in such peaceful times as these, to found it on a rock, and rear it like a rock — of granite; and supplied with means for the location and protection, in cases of emergency, of a constabulary, or even military force, upon its roofs and ramparts.

The ground floor and the basement will be objects of the first importance; and in digging for the latter, and in the construction of the areas, it will be well to prevent the possibility of the "*screw*" being used in any attempt to force the shutters. This *has* been attempted where the areas are too much confined, — the soil serving as a rest or fulcrum for the "*double screw*" to act upon, — an instrument of prodigious force, before which almost any shutter must give way. For the same reason, iron palisading, when placed in front of windows, should be so constructed that, whilst calculated to resist pressure *from without*, it may not be needlessly strong in the opposite direction; otherwise it will only afford the means of using a powerful invading force, which is impotent when unsupported. The chief protection for windows should be sought in substantial shutters, which will be referred to hereafter.

The external doors should be of the very strongest character; and, if wood be used, it should be lined with iron, or thickly studded with rivets of the same material. There seems also a strict propriety in protecting the doors at night (in accordance with the windows) by revolving iron shutters, of which more will be said hereafter.

The inner doors, forming the more immediate access to the public counter, it is submitted, should not be, as at present, a pair of folding-doors, *one* adapted for entrance and *the other* for departure; but should be two distinct and separate openings, as far removed from each other as circumstances will admit of; so that the approach to the counter should be at one end, and the exit at the other, — the public always passing in the same direction.

Several improvements have presented themselves in windows and window-sashes; and *Barrow's patent sash*, exhibited by Mr. Thomas Turner, is extremely good, and adapted for first-rate windows of plate-glass, which, since the recent abolition of the duty, has become considerably reduced in price. This sash is made in bronze metal, and the cost per foot is regulated by the size of the sash required. They are said to be extensively used, and that the Bristol and Manchester branches of the Bank of England have adopted them. Each sash slides up and down, so that the window can be opened both at the top and bottom; and the meeting bars are so constructed that the sashes when closed are perfect-

ly flush on both sides, instead of the lower one, as is the case with common sashes, projecting its own thickness into the room;—both sashes being in the same plane gives a far neater appearance to the window, and presents less lodgment for dirt or dust. It has, moreover, a self-acting latch in the sill-bar, so arranged that *the sash cannot be closed without being securely fastened*. The lines are concealed, and it is remarkably free from vibration.

The specimen exhibited was most beautifully executed, and would form a very suitable window for handsome buildings.

Mr. G. Harwood, the inventor, exhibits a patent apparatus for "*moving and fastening windows*," the various applications of which are very ingenious. He has published an illustrated pamphlet, containing a full description. One principal feature in the invention is the application of the screw, the worm of which, working into a rack or pinion, acts as a prime mover,—dispensing with all pulleys, weights, cords, springs, setopes, fastenings, &c.; and is particularly adapted to pivot windows, and to situations where the windows are above ordinary reach, as in lofty buildings. This invention has been very satisfactorily adopted in some of the public buildings in Norwich, and was availed of to regulate the ventilators in the Great Exhibition. It most effectually does away with the harsh and noisy friction of sash pulleys, which it is almost impossible to oil; and overcomes, by the mechanical power of the screw, the difficulty frequently experienced in opening and shutting windows. The speed and power of the motion communicated can be readily regulated by the diameter of the rack or pinion employed to produce it.

Mr. George Anderson's model of an improved window has some excellent properties; and he intends shortly to publish a full description, together with the prices.

Much inconvenience having arisen from dirty windows, and no small amount of danger having attended the cleaning of them, many have attempted to obviate the necessity for getting on the outer side for this purpose; among the most successful essays is, perhaps, that of Mr. C. Herring, who exhibits a patent sash, which can most easily be taken out to be cleaned. The arrangement is extremely simple, and consists of a metal rod dovetailing into the sides or sash frame, and sliding up and down with the sash; this rod is connected with the sash by two small flush bolts at top and bottom of it; the lines and weights are attached to this rod; when the bolts are withdrawn, the rods slide up and the sash is released, and may be removed from the frame. A similar model, upon the same general principle, is exhibited by Mr. B. E. Roberts, of Nelson Place, Clifton, who also claims the invention. As we shall have occasion to make a few additional remarks upon windows in our allusion to the important question of ventilation, we direct our attention to

**SHUTTERS.**—Shutters, as a means of protection, form an important feature in the fittings of a banking building, and, as some degree of solidity and strength, and consequently weight, is necessary, the arrangements for placing and removing them should be as scientific as possible, in order to economize both time and labor. For this purpose, the revolving iron shutters, now coming into general use, seem very de-



sirable; by it, the antiquated plan of putting up and taking down, one by one, separate external shutters, is avoided, and the expense of replacing broken glass and repaired shutters (ofttimes shattered by uncareful handling of them), as well as the inconvenience, and sometimes accident, arising from the long bars by which they are fastened, entirely removed.

The revolving shutters formed of curvilinear iron lath, and manufactured by Messrs. Bunnett & Co., Deptford, are very excellent in their construction, and work most easily. The curving of the iron lath, of which this shutter is composed, gives additional strength, without adding very materially to its weight, or much augmenting its expense. Their cost is usually from 6s. to 7s. per foot superficial, according to the size of the window, and, if kept well painted, they are extremely durable.

The shutters seem only a modification of the principle adopted by Mr. Harcourt Quincey, in his patent *convex* revolving iron shutters.

These are made of convex laths, and are said to be twelve times stronger than those composed of flat laths of the same substance.

These revolving shutters can be applied either horizontally or vertically, and are valuable from the facility with which they may be closed in cases of popular tumult.

Mr. Archibald Horn is also the inventor of an iron shutter for bankers; and, in cases where it may be desirable to retain the old detached shutters, Jennings's joints and shutter shoes are by no means without their use.

**ACOUSTIC TUBES.**—Among the most useful means of saving unnecessary labor in offices may be placed the speaking tubes or telegraphs and communicators, by which messages may be sent from room to room; and thus the necessity of running to and fro to answer bells lessened by at least one half. Mr. Wishaw's Telekonphonon is a plain gutta percha tube, with a mouth-piece and whistle at each end; there are some additional arrangements for communications from several rooms; but the gutta percha pipe, mouth-pieces, and whistles seem all that are necessary for ordinary purposes. Gutta percha is a most desirable substance for the tubing, as it possesses a remarkable sound-transmitting quality; and speaking-tubes, &c. are made by the Gutta Percha Company. The manner of calling attention to the pipe is by blowing into the whistle at one end, when the sound is immediately transmitted to the other, and conversation may be commenced. When this is ended, the whistles, which are movable, should be replaced. Messrs. Bryden and Sons have invented a *self-closing* mouth-piece, which would be a very desirable addition to these speaking tubes; by it the removal of the whistle is rendered unnecessary. Perhaps these tubes might form a most useful means of communication between the board room and the several offices in the bank, as well as from the counter to the ledger office, by which any inquiry might be immediately answered, without either loss of time or noticeable conference between the ledger clerk and the counter.

**WIND-GUARDS AND COWLS FOR CHIMNEYS.**—In few matters have there been so many different attempts to accomplish the same result as

in the cure of smoky chimneys; and it is very desirable that, if tolerated at all, the nuisance of smoke should be kept out of doors.

This subject is very intimately connected with ventilation, in the consideration of which it will be again referred to. One important means of obviating this nuisance is to prevent the free passage of the smoke, caused by the current of rarefied air up the chimney, being interfered with by the force of the wind striking the top of the chimney. To avoid this, Mr. J. E. Grisdale has invented a wind guard, consisting of a cap poised upon a point on the top of the chimney. This cap, the moment the wind strikes it, turns its back to the current, and closes that side of the opening. The principal objection appears to be in the extreme facility with which it vibrates. Mr. Grisdale has registered this invention provisionally, and, not having the means himself, is anxious to meet with some one to assist him in bringing it out. From its extreme simplicity it would be very inexpensive.

Mr. Stafford's interceptor cowl, for the same purpose as that last mentioned, is very well arranged, but would be more costly, on account of its construction.

These contrivances will be very useful in situations where a chimney is overtopped by lofty buildings; but we imagine that, in the majority of cases where inconvenience is experienced, the evil exists near the fire-place, or in the "throat" of the chimney, rather than at the top of the flue. This will be more fully exhibited in our reference to stoves and fireplaces.

**FIREPROOF FLOORS, CEILINGS, AND ROOFS OF BUILDINGS.** — Specimens of this improved construction of fireproof floors are exhibited by Messrs. Fox and Barrett; and one is certainly struck with the assertion, that the expense of these substantial and massive floors is not greater than the ordinary timber construction. This is surprising, on account of the great weight that has to be sustained, the floor and ceiling being about nine inches thick, of solid material. The small cost may, however, be in some degree accounted for by the extreme lightness of the iron joists, the cheapness of the material employed in each successive layer, as well as from the very little amount of *skilled labor* required in their construction.

In cases of fire, the floors, composed chiefly of timber, afford, from their very construction, a supply of air to feed the flame; and, from the combustible character of the material, present very little hope of its progress being stayed. This invention will afford the means of diminishing the present extensive use of timber in buildings, by the almost universal adoption of which considerable danger is incurred. Mr. Braidwood, the Superintendent of the London Fire Engine Establishment, has stated, in evidence before a committee of the House of Lords, that, by exposure for a few years to heat *not much above that of boiling water*, timber is brought into a condition somewhat resembling that of *spontaneous combustion*; and for the fire which occurred a few years since at Day and Martin's blacking manufactory no other cause could be assigned than the ignition of the wooden casing in which the hot-water pipes were inclosed. If these facts be correct, the character of the floors through



which warming apparatus are generally made to pass must be a matter of importance. Considerable strength and solidity are given to the building generally by these floors; the iron bearing the *tensile* strain, and the concrete resisting the force of *compression*. A paper upon the subject, read at a meeting of the Society of Arts, has been published, which contains a full account of the arrangement.

This invention seems well adapted to those rooms in which books that have been filled and banking documents are kept; where security from fire is so necessary a desideratum, not very readily obtained above ground.

II. We now consider, secondly, those inventions by which "Light," "Heat," and "Ventilation," may be secured, and which so materially promote the health and comfort of bank clerks.

LIGHT, — GAS, CANDLES. — Like many of the discoveries of modern times, gas has not only great capacities for contributing to men's convenience, but also for their annoyance and injury, and this is most fully exemplified when this most valuable substitute for the solar ray is employed excessively.

Most jets are adapted by their form and size to burn well a certain quantity of gas, and if less be turned on inconvenience is sure to arise, and if more is allowed to pass incomplete combustion ensues, producing rapidly a most injurious and painfully oppressive condition of the air in the apartment. Burners are frequently somewhat inaccessible, or in the press of business they are disregarded until the smell of half-consumed gas is insupportable, and in order to regulate the light it may be necessary to adjust the cock several times in the course of an hour. To obviate this evil, Mr. Biddell has invented a self-regulating gas-burner, which adapts itself to all variations of pressure, preventing the flame from either rising or falling above or below any desired height to which it may be adjusted, thus saving gas and preventing smoke. Its self-acting property depends upon the expansion and contraction of a compound rod in the centre of the flame, which, by means of a small lever and simple valve, shuts off or lets on the gas according as its pressure may be increased or diminished. This invention can be adapted to the button-burner, which gives a whiter light; a light, however, which is more expensive than the red on account of its rapid consumption of gas, although the objection of cost would be perhaps overruled, when it is remembered that the whiter the light the less prejudicial it is to the eye, and the more complete the combustion of the gas the purer will be the atmosphere of the apartment.

Mr. Biddell's burner is furnished with a gauze covering at the bottom, which insures great steadiness of the flame by preventing any sudden draught from disturbing it. This addition of wire-gauze has also been used with some other burners recently introduced, amongst others with that of Mr. Winfield, which is a beautiful burner, and with the opal shades is becoming now very generally used; the only inconvenience of this improvement is the necessity of removing the chimney to light the gas, otherwise the gauze, if fine, while the chimney is cold frequently pre-

vents the immediate admission of air necessary to support the combustion of the gas. It may be remarked, in passing, that gas-burners are treated somewhat inconsiderately; they are lighted night after night for months together without any attention being paid to their condition, and thus, from some of the holes becoming partly closed, an inequality in flame is a necessary result. And then, in order to produce the same amount of light, the gas is turned on higher, and incomplete combustion, in some parts of the flame at least, is sure to ensue. Might it not be well to have an annual or half-yearly inspection of all gas-burners in a bank?

The introduction of pipes leading from the gas-burner shades into the flue of the fire-place would very materially assist ventilation, and carry away the impurities those burners generate. The shade invented by Mr. Winfield merits attention on account of its reflecting qualities, its durability, and cleanly surface, and the pleasant light which it diffuses. This will probably entirely supersede the copperplate reflector, which, being quite opaque, has a tendency too much to darken the room.

The cost of this burner is about 7s. 6d., and they are issued regulated to a 2½ inch flame. Mr. Biddell has some very flattering testimonials from Messrs. Ransome & Co., Ipswich, the Gas Fitters' Mutual Association of London, and others, to the value of his invention, which appears especially adapted to the counters of banking establishments, as well as other places where the proper amount of flame from the burner cannot be made the subject of frequent attention.

Some of the inconveniences attending the use of candles may be considerably lessened by a little invention of the Rev. W. H. Jones, — the "Acolyte," or patent safety candle cap; which, being placed upon the top, descends as the candle burns, and insures regularity in the melting of the wax or tallow, thereby preventing the guttering and the dripping of the grease. Price's Patent Candle Company are the licensees for its manufacture, and it is intended more especially to be used with their article denominated the "Composite."

It may not have been generally observed what an amount of smoke some candles produce, causing the same unpleasant smell, as well as painful effect upon the lungs, as that arising from the smoke of gas. The best composite candles, of which there were some beautiful specimens exhibited, smoke the least, — the additional expense of which is indeed very little, and no doubt, if more attention were directed to the subject, even common candles might be materially improved.

HEAT. — So large a portion of civilized society, and especially those employed in banks, being engaged in pursuits of a sedentary kind, the means of obtaining artificial heat in this variable climate are of much importance, and it is very interesting to observe the various improvements which have been recently made.

With all these, however, and some of the fireplaces are exceedingly attractive, the question of *stoves and open fires* does not seem quite settled in favor of the latter, and Mr. Edwards steps forward in defence of Dr. Arnott's invention, against the many who, in professedly copying the stove, have not adopted the principle upon which it acts, and thus brought both into disrepute.

The real Arnott stove is upon the principle of an extensive and moderately warm heating metal surface at about 200° Fahrenheit ; it consists of a sheet-iron box, which may be of any dimensions, in proportion to the size of the room to be heated ; it is divided by a partition into two chambers of unequal dimensions, which communicate freely at the top and bottom. A fire-box, composed of iron lined with fire-brick, rests at the bottom of the larger chamber ; access is obtained to it by a door which must fit closely. The refuse of the fire falls into an ash-pit below ; here also is a valve for the supply of air to the fire-box. The fumes and heat of the fire pass up and down, over and under the partition, giving warmth to the outer case ; the smoke finally passes off by a flue into an adjoining chimney. The heat is regulated by the valve for admitting air ; when this is opened widely a large stream enters and combustion becomes active ; when, on the contrary, the aperture is reduced, a comparatively small stream is admitted, and combustion languishes. The temperature of the outer case is raised or depressed accordingly by the revolution of the heat and smoke round the division of the chambers, their power of giving forth warmth is expended as far as possible on the plates of the outer case, so as to be serviceable for the end in view, and it might be possible to exhaust the whole for that end by lengthening the flue or causing a greater extent of it to pass through the air of the room before entering the chimney. This apparatus certainly makes the most economical use of fuel of any species of contrivance for producing artificial heat yet known. Six pounds of Welsh coal or coke, of the value of one penny, will, it is said, supply an ordinary one for a day.

The prevalent fault in the Arnott stoves generally manufactured has been a diminution of the heating surface in proportion to the strength of the furnace.

All metal surfaces, however well the principle of a large superficies moderately warmed may be observed, raise the temperature by two means, namely, by radiation and by conduction. Radiated heat, which is that given by a common fire, is perfectly safe, but the heat produced by the air coming in contact with a warmed surface is more injurious. The air which forms the medium of heating the rest has been altered in its character, particularly in being desiccated or deprived of its humidity. It is necessary to counteract this result by artificial infusion of humidity into the atmosphere. Perhaps the best possible arrangement for this purpose is that consisting in a trough of water with a roller moving in it, and a similar roller forming a windlass about two feet above. Between the windlass and the roller an endless piece of towelling revolves. The bottom of the piece of towelling passing, of course, through the water, it is only necessary to turn the windlass a few times in order to make the whole wet, and this process may be repeated as often as necessary. The vapor constantly arising from the cloth will, if sufficient in quantity, make good the want of humidity in the stove-heated air.

It is rather singular that Mr. Edwards makes no allusion in his little pamphlet to this desiccation of the air by stoves, nor to the means of removing it.

In the stoves exhibited by Mr. Juckes and Mr. Pierce, together with the

great advantage of heating by earthen instead of metal surfaces, a principle is announced, which is but rarely used, although it has been occasionally adopted for many years, viz. the introduction of the air from the outside of the building by a flue or pipe. This, upon a little consideration, will be shown to be very important, and it is possible that neither of these gentlemen has fully recognized the value of the principle which they have adopted; we shall, however, refer to this again.

Gas has been asserted to be an economical heating agent, — and Messrs. Feetham and Co. exhibit a very elegant stove of white porcelain. In many of the gas stoves, by other manufacturers, the deterioration of the air, and the smoke caused by combustion, are entirely overlooked, and the stoves are made without any provision for a chimney at all.

The white porcelain will not, however, conduct the heat so rapidly as a surface dark and rough.

In the construction of some of the open fireplaces, an effort has been made to bring the body of fire forward into the room as much as possible, without diverting the passage of the smoke. This object appears to be very happily obtained in a grate exhibited by Messrs. Dean & Co., which is the exact reverse of many, even recently constructed. The back is quite flat, the bars projecting outwards, like a section of an ellipsis. The surface of the fire is thus increased, and the whole is placed in front of the *four* reflecting cheeks. This appears manifestly superior to the *round back* and *flat-fronted* fireplaces in common use. The execution of these specimens is very elaborate, and, for ordinary purposes, would be too expensive, the plain black being about £9 10s., and if with ash-pan and ornamental side £25; but the principle might be recognized in a much cheaper form. It has been questioned above, whether the principle of introducing a fresh current of air to the grate and chimney by communication with the external atmosphere has been fully appreciated, or its value rightly understood. Open fires have been objected to, for causing draughts, and close stoves have been substituted, air being introduced under them from without to ventilate the room; but the one great cause of these draughts, as well as that of many smoky chimneys, and the frequent failure of attempts to carry off smoke from gas-burners, by pipes, into the open air, has been altogether overlooked, viz. *mechanical exhaustion of the air in the apartment by excessive rarefaction in the chimney.*

For the purpose of drawing attention to the improvement adopted in Mr. Jukes's and also Mr. Pierce's stove, to which the jury have awarded a medal and "special approbation," it may not be unsuitable here to copy a paper which we brought to London on visiting the Exhibition, in order to submit it to some manufacturers of stoves, supposing its suggestions to be wholly new.

For the well-being of fires generally, a constant draught or supply of air is necessary, not merely to support combustion, but also *to supply the partial vacuum at the bottom of the chimney*, caused by the ascent of the air, *it being highly rarefied by excessive heat.* The air in the chimney being thus rarefied and heated, *to a degree far above that in the room*, the atmosphere is exhausted, and in fact pumped out of the apart-

ment. Thus the pressure of the external air is much increased, and this is perceived by a strong current entering at every hole and crevice; when a door is opened the draught is extremely inconvenient, and has the effect of immediately reducing the temperature, causing, of course, much waste of heat. To obviate this is the object of the present suggestion, viz. to introduce the air necessary to support combustion in the grate, and to supply the rarefaction in the chimney, not from the front of the fireplace, as is now universal (thereby drawing out of the room the air which has just been warmed), but from the atmosphere outside the apartment, by means of a pipe or flue laid beneath the floor, and under the hearth-stone, and opening behind the grate, a space being left here, carefully covered at the top, so as to prevent any direct communication between the pipe beneath the floor and the flue of the chimney. In order to introduce air into the chimney, to carry up the smoke, without making so large a demand upon the warmed air in the apartment, which now, under the present arrangement of open fireplaces, as soon as heated in the grate, rushes wastefully up the chimney, the front edge of the stove or fireplace opening should be perforated, or have a narrow space wholly or partially round it. From these perforations or spaces at the back of the face of the stove, and between the outer edge of the face and the surrounding slips, would flow a constant current of cold air; this would constantly direct itself towards the fire and chimney, and thus become the upward current. The reason for having the perforation round the *front edge* of the fireplace opening is this, that the smoke from the fire may be embraced by the draught of air and carried up the chimney; if they were in any other position this might not be accomplished, and the smoke might be sometimes driven into the room.

A double set of grate-bars under the fire would be very useful, one set to be withdrawn and replaced by the other at intervals, when the bottom of the fire gets choked with dust; thus allowing the small ashes to fall through without the wasteful application of the poker or the shovel, which pulverizes the coal. This double set might work upon a rod like a hinge, and pass one through the other, thus shifting the support of the fire without at all disturbing its position, but merely removing the dust from under it. In reference to the general questions of close stoves and open fires, perhaps for banks the Arnott stoves would really be the more suitable. The circulation of the blood in some gentlemen is so much more rapid than in others, that in an office there is rarely perfect unanimity in managing the fire; one opening the windows, whilst another puts on coals. The coldness of the office on winter mornings is objectionable, to say nothing of the half-hourly attention required by an open fire. Whilst the Arnott stoves exhibited by Mr. Edwards need replenishing but twice in twenty-four hours, and yet preserve a uniform temperature for months together.

(To be continued in the April No.)

## LAWSON'S HISTORY OF BANKING.

## CHAPTER VI.

## ON THE BUSINESS OF THE BANK.

*The Bank commence Business in Grocers' Hall. — Build a new Bank. — Description of the Building, and its subsequent Enlargement. — Allowance made to the Bank by Government. — Retirement of Mr. Abraham Newland. — Commissioners appointed to improve the Style of Bank-Notes. — How manufactured. — A singular Trial caused by a Note. — Account of outstanding Bank-Notes in 1832. — The Thousand-Pound Note and the Bank Clerk. — Losses sustained by the Bank. — Great Profits of the Bank, and whence derived. — Description of the Dead Weight. — Business of the Bank. How divided. — Number of Persons officially employed. — Annual Election of all the Officers of the Bank. — Class of Proprietors from whence Directors are chosen. — Uniform Integrity of Directors in the Discharge of their Duty. — Scale of Votes at General Courts. — Management of the Affairs of the Bank exclusively in the Directors. — Mode of declaring Dividends on Bank Stock. — The Bank compelled to publish a State of their Affairs. — Nature of the Transactions of the Bank with the Exchequer, as described by Abraham Newland. — Origin and Progress of the National Debt. — Dr. Price on Reversionary Annuities. — Stockbrokers. — Speculating in the Funds. — Bulls, Bears, and Lame Ducks. — Origin of the Sinking Fund, and its final Extinction. — Mode of providing for the Dividends by Government. — General Plan of Business. — The late Mr. Rippon, Chief Cashier of the Bank.*

BEFORE we proceed to give an account of the manner in which the affairs of the Bank of England are conducted, a few remarks on the building itself may perpetuate some material incidents respecting it.

On the establishment of the Bank in 1694, the directors engaged the hall of the Grocers' Company for the purposes of their business, and continued to occupy it until the year 1732, when, having made a proposition to the Grocers' Company for a renewal of their lease, the terms of which were not approved of, the directors, at a general court of the Governors and Company of the Bank of England, held on Thursday, the 20th of January, 1732, were empowered by a resolution of that court to "build a new Bank in Threadneedle Street, and to erect an equestrian statue of King William before it."

The Governor and directors of the corporation proceeded on the 1st of August, 1732, to lay the foundation stone, on which was the following inscription : —

"The foundation of this building of the Bank of England was laid August the 1st, 1732, in the sixth year of the reign of King George the Second, Sir Edward Bellamy, knight and alderman, Governor; the Honorable Horatio Townshend, esquire, Deputy Governor"; together with the names of the several directors.

Soon after the completion of the building, the proprietors of the Bank caused a statue to be erected in the great hall in commemoration of its founder, with a Latin inscription, of which the following is a translation : —

For restoring Efficacy to the Laws;  
 Authority to the Courts of Justice;  
 Dignity to Parliament;  
 To all his subjects their Religion and Liberties;  
 And confirming these to posterity,  
 By the succession of the illustrious House of Hanover  
 To the British Throne:  
 To the best of princes, William the Third,  
 Founder of the Bank,  
 This Corporation, from a sense of gratitude,  
 Has erected this Statue;  
 And dedicated it to his Memory  
 In the year of our Lord 1734,  
 And the first year of this Building.

The original extent of the Bank comprehended the site of the house and garden formerly belonging to Sir John Houblon, one of the first directors, and was comparatively a small structure, quite invisible towards the street, the entrance being through an arched court, surrounded by many other buildings; viz. a church called Saint Christopher le Stocks, three taverns in Bartholomew Lane and two on the south side, and upwards of twenty private houses; the whole of which have been removed.

That part which formed the churchyard of Saint Christopher's has been preserved, and is now called the Garden; it is inclosed within an iron fence, and surrounded on all sides by the offices of the establishment. One of the clerks, of the name of Jenkins, lies buried in this consecrated ground. The cause of his interment in such a place arose out of a fear, as expressed by his friends, that, in consequence of his singular height (he was upwards of *seven feet*), his body would be exhumed if it were buried in any other place.

By the 33d of George III. c. 15, the Governor and Company were authorized to purchase certain houses and grounds contiguous to the Bank. The preamble recites the 4th of George III. c. 49, which enabled the Governor and Company of the Bank of England to purchase houses and ground for opening a passage for carriages from Cornhill to the Bank, &c.; and the 5th of George III. c. 91, for vesting certain glebe lands belonging to the rectory of the parish church of Saint Christopher, in the city of London, to the Governor and Company of the Bank, &c.; and the 6th George III. c. 76, enabling the Governor and Company of the Bank of England to purchase certain houses and ground near to the Bank, &c.; and 21st George III. c. 71, for vesting the parish church of Saint Christopher le Stocks in the Governor and Company of the Bank of England; and states, that by virtue of these acts, and of several purchases made from time to time, the Governor and Company of the Bank are now become owners, not only of the site on which the Bank is erected, but of certain premises along the east side of Princes Street, the south side of Lothbury, and the whole of the west side of Bartholomew Lane, except three houses adjoining Lothbury; and it further states, that the premises on the south side of Lothbury and the said three houses are the only premises which adjoin the Bank; and that it would add much to the safety of that edifice if the said houses were removed, which was ultimately done.

On the east side of the entrance of the Bank are the several offices connected with the management of the national debt; and over the door of each is displayed the designation of the funds managed within.

That portion of the Bank called the Rotunda is a noble building, crowned with a dome, admitting the light through an elegant cupola, supported by twelve female figures representing the months of the year. Within the cupola is an anemoscope, showing the direction of the wind.

The Rotunda was originally built for and used by stock brokers or jobbers, and was frequented by the buyers and sellers of stock, all eagerly occupied, and expressing by their countenances the importance of their business, until the directors of the Bank, a few years back, drove all the busy throng out of the place; when, from the solemn and sepulchral silence that reigned within it, a stranger would naturally ask, "For what purpose was this stately edifice erected?"

The good sense of the directors, however, at last turned it into an office for the payment of the dividends, for which purpose, from its contiguity to the different stock offices, it is admirably adapted.

In the museum in Lincoln's Inn Fields, called Sir John Soane's Museum, are exhibited accurate drawings of nearly every office in the Bank; and however enlarged may be the stranger's ideas of the extent of the establishment by viewing these pictures, an examination of the building itself is sure to surpass them.

This extensive pile measures, on the south side, 365 feet; on the west, 440 feet; on the north, 410 feet; and on the east, 245 feet. The whole is inclosed within the four streets of Threadneedle Street, Princes Street, Lothbury, and Bartholomew Lane. The principal front is composed of a centre and two wings; the latter are ornamented with a colonnade of Corinthian pillars, which are esteemed very beautiful. Through the former you approach the original hall, which is a noble apartment, 75 feet in length and 40 in breadth; behind the hall is the Bullion Court, which is approached from Lothbury through a magnificent arch and façade, designed on the model of the triumphal arch of Constantine at Rome.

The entablature is supported by Corinthian columns, fluted, and crowned with statues emblematical of the four quarters of the globe; and the intercolumniations are enriched by basso relievo in panels, allegorically representing the Thames and the Ganges.

The great roses in the vaulting of the arch are exact copies from those of the temple of Mars the Avenger, at Rome.

The outside wall at the back of the Bank was, until lately, strangely ornamented at the top, forming, by its heavy aspect, a singular contrast with the simple elegance of the front. Since the rebuilding of the Royal Exchange, and the various other improvements in the immediate neighborhood, the entire wall of the building has been raised several feet, which not only gives it a better appearance, but has added considerably to the safety and general defence of the building.

Visitors to the Bullion Office, not many years ago, were shown the identical old chest, somewhat larger than a common seaman's, and also the original cases, where the cash, notes, papers, and books of accounts



once were kept; they were interesting mementoes of the Bank's original simplicity and confined operations, and furnish a curious contrast to its later amazing development.

The Bullion Office was established as a separate department almost as soon as the Bank commenced business in their present premises, and it was instituted for the purpose of accommodation and safety between merchant and merchant, as a place of deposit. It used formerly to be called the warehouse, and has only gone by its present name about forty years.

All the bullion brought into the Bank lies in this office for the owner to whom it is consigned, and is generally deposited by shipmasters; for the safe custody of which the Bank make no charge.

There are two departments of the Bullion Office, one of which is connected with the Bank, whilst the other is a deposit office for the accommodation of merchants. The deposits consist in the first instances of packages received from shipmasters, and as they arrive an entry is made of the name of the shipmaster and consignee, the name of the vessel by which the importation has been made, the number of the packages, and what they are said to contain. When a sale takes place, (which is effected by a broker between seller and buyer, and who gives a contract to each,) the owner of the specie brings the bill of lading describing the marks and contents of the packages, which are then opened, and their contents weighed and bought by the Bank. If consisting of gold, the price is fixed at £3 17s. 9d. per ounce; if of silver, it is bought at the market price, which varies according to supply and demand.

Previous to the year 1786, the Bank received an allowance of £562 10s. per million for the management of the national debt; from that period till the year 1807, such allowance was reduced to £450 per million, besides an allowance for the trouble in receiving contributions on loans, &c.; when, it being considered that the actual expenses incurred by the Bank in this department did not exceed £180 per million, the allowance on account of management was reduced to £340 per million on £600,000,000 of the public debt, and to £300 per million on all further additions to the debt, exclusive of some separate allowances for annuities, amounting to £8,820 15s. 2d.

The total sum paid by the public to the Bank on account of loans raised, Exchequer bills funded, transfer of three and a half per cent. stock, &c. from 1793 to 1820, both inclusive, amounted to £426,795 1s. 11d.; but this was exclusive of the above charge for conducting the national debt.\*

At a general court of the directors, held on the 18th of September, 1807, Mr. Abraham Newland, who had been upwards of fifty years in the service of the Bank, resigned his office of chief cashier. The court intimated to Mr. Newland their intention of settling an annuity on him agreeably to custom; but this he modestly refused, being possessed of ample property. He, however, was prevailed upon to accept a service of plate valued at 1,000 guineas.

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\* Parliamentary Papers, No. 81, Session 1822.

About the year 1819, a great outcry was raised against the Bank for not adopting a style of note which could not be imitated, and thus preventing the sad sacrifice of life which, unhappily for the country, about this period was too common. The subject at last became so pressing, that the government appointed commissioners to investigate the causes of the numerous forgeries, and whether a mode could be devised whereby the forging of bank-notes might be prevented.

Previous to this investigation, the directors of the Bank had been endeavoring to remedy the evil, many plans having been submitted to them, all of which they were obliged to reject. At one time they were about to adopt a curious and very costly machine for printing the note on both sides so exactly alike as to appear one impression, when a workman came forward and showed that the same thing might be done by the simple contrivance of two plates connected by a hinge.

The commissioners, as a means of facilitating their inquiries, requested the Court of Directors would furnish them with such rejected plans, by which it appears they received 180 projects for their adoption : these, together with the correspondence which accompanied them, were regularly classified and arranged. A statement of trials to which they had been subjected, specimens of the proposed originals, and of the imitations executed by the Bank, were also submitted to the commissioners.

The Bank also placed before the commissioners seventy varieties of paper made at their manufactory by way of experiments, in which almost every alteration recommended for adoption had been tried, and in some instances anticipated by the manufacturer.

It is due to the Bank to state, that, on many occasions, so anxious were the directors to secure the desired object, they furnished to the proposers of those projects which were of a superior kind pecuniary means to carry their ideas into effect.

The impossibility, however, of making notes which should be executed so as not to be imitated, and in such a manner as should render them fit for general circulation amongst all classes of society, was soon apparent to the commissioners, who nevertheless appear, in their report, dated the 18th of February, 1820, to have considered that by the adoption of the note fabricated by Messrs. Applegath and Cowper, great, if not insurmountable, obstacles would be opposed to the act of any person who might be disposed to engage in forging them.

The following curious description of the paper used in making bank-notes is abridged from Mr. Barlow's lecture "On a Bank of England Note," recently delivered at the Royal Institution.

The color of the paper is peculiar, and cannot exactly be imitated by a forger, except at great expense. The combined thinness and strength of the paper is also unique. The paper is made in pieces large enough for two notes ; each note before it is sized weighs about eighteen grains, and if then doubled it is strong enough to suspend a weight of 36 lbs. ; with the addition of about a grain of size it will suspend 56 lbs. The texture of the paper is also peculiar ; it has a crisp feel, invariably the same, and such that bank clerks of experience can readily detect forgeries by this test alone.

Then the wire mark, impressed in the making by a frame, costly to make and difficult to use, is practically inimitable. Each note has thin, rough edges, uncut, not to be produced by any mode of cutting paper that is not made expressly for the purpose. The paper for printing is damped with water in the exhausted receiver of an air-pump.

The ink used in the plate printing is made of Frankfort black, which is composed of the charcoal of the tendrils and husks of the German grape ground with linseed oil. This ink has a peculiar and very deep shade of black, common black inks being tinted either with blue or brown.

The notes of the Bank of England were by general consent treated as money before they were made a legal tender by act of Parliament. No one can recover the value of a lost note, should it be in the hands of a *bond fide* holder for a valuable consideration, and without a previous knowledge of the true owner; for the holder of a note is *primâ facie* entitled to prompt payment of it, and cannot be affected by the previous fraud of any former holder in obtaining it, unless evidence be given of culpable neglect, or the knowledge of its having been lost or stolen being brought home to him; and, as possession is *primâ facie* evidence of property in negotiable instruments payable to bearer on demand, in an action of trover for the recovery of a lost note the defendant will not be called upon to show his title to the note without evidence on the other side that he got possession of it wrongfully.

It was formerly the practice of the Bank to retain all forged notes that were presented for payment; this custom they have now discontinued, being satisfied with stamping the word FORGED on such fictitious notes.

On the 22d of February, 1819, an action for false imprisonment was brought in the Court of King's Bench against an inspector of the Bank of England, in the service of that corporation. It appeared that the plaintiff had paid away a one-pound bank-note, which was pronounced by the Bank to be a forgery. Having by stratagem afterwards got possession of the note, the plaintiff paid the amount, and on refusing to deliver up the forged note, he was taken before a magistrate "for having a note in his possession, knowing it to be forged and counterfeit." On the evidence of the inspector, and at his instance, the plaintiff was committed to prison by a magistrate, and after three days' confinement was released on bail to appear when called on; at the expiration of twelve months, not having been called on, he brought his action, when, strange to relate, the note was proved to be a genuine Bank of England one-pound note. The jury immediately brought in their verdict, "Damages, one hundred pounds."

Very considerable sums are realized by the Bank from the accidental destruction of their notes, many of which are lost at sea, and numbers destroyed by fire, and the carelessness of individuals. The following is an account of Bank-notes outstanding, from 1792 to 1832, a period of forty years only.\*

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\* *Vide* Bank of England Return to the Committee of the House of Commons, 1833.

Of £ 5 and upwards, dated between 1792 and 1st of January, 1812, . . .	£ 280,380
From 1st of January, 1812, to the 1st of January, 1817, . . .	95,600
From 1st of January, 1817, to the 1st of January, 1822, . . .	149,860
From 1st of January, 1822, to the 1st of January, 1827, . . .	511,490
From 1st of January, 1827, to the 1st of January, 1832, . . .	297,000
	<hr/>
	£ 1,334,330

Between the years 1790 and 1829, the annual expenses of the Bank were increased by the following items:—

1798. A voluntary contribution to the government by a vote of the proprietors, . . .	£ 200,000
1804. Loss by Astlett's frauds, . . .	342,697
Property tax paid by the Bank from 1797 to 1816, . . .	2,143,334
Actual loss sustained by the Bank, between 1790 and 1829, in supplying the gold and silver currency of the country, . . .	£ 1,209,896
1830. In this year, the annual expenses of the Bank were nearly double what they had been in former years; this was caused, it appears, by a large sum having been written off at that time for the forgeries of Fauntleroy; the total amount lost by the Bank through his forgeries was . . .	£ 360,000

The total amount of the actual losses sustained by the Bank from forgeries in the public funds from 1822 to 1831, both inclusive, was £ 402,040, in which amount the last item is included.

This enormous loss sustained by the Bank through forgeries within the space of ten years requires some special reference, more particularly as regards the last item in the above estimate.

It is customary for parties who have invested money in the funds, and who may reside in the country, to appoint some responsible parties in London to receive the dividends, and when necessary sell the stock.

This appointment is made by a deed called a power of attorney, which instrument gives authority to the party in whose favor it is made out, either to sell the stock or receive the dividends.

Most of the powers so granted are in favor of London bankers, who act upon them when for sale through a stock-broker, and when for the receipt of dividends only they act personally.

The Bank have a regulation, that, before a power of attorney for the sale of stock can be acted upon, it must be left at the power of attorney office in the Bank one clear day, to enable the authorities to make the necessary inspection as to the signature, &c., and this practice is never deviated from except on some very special occasion, and not then, unless an application to that effect be made by the party wishing to sell the stock.

Henry Fauntleroy, to whom we shall have occasion more particularly to allude when treating of London bankers, was in the habit of making these special applications for the transfer of stock, and, from the high position he held among the London bankers, no suspicion was created in the minds of any of the gentlemen at the Bank with whom Fauntleroy transacted business; he was therefore allowed to act upon powers of attorney on the day he made the application. This irregularity prevented the necessary comparison of the signatures of powers of attorney with those in the stock-books, all of which, unfortunately for the Bank, were at last discovered to be forged, and the above amount was the extent of the loss sustained by such forgeries.

Having enumerated some of the losses of the Bank, it may perhaps be as well to give an exhibit of their profits, which we are enabled to do from a return presented to a committee of the House of Commons in 1832, stating the description of securities held by the Bank, and the sources from which the said profits were derived; premising that, if we except the item for the management of the public debt, the profits are now considerably enhanced.

Interest on commercial bills, . . . . .	£ 130,695
Interest on Exchequer bills, . . . . .	204,109
Annuity for 45 years, dead weight account, . . . . .	451,415
Interest on capital received from government, . . . . .	446,502
Allowance for management of the public debt, . . . . .	251,896
Interest on loans or mortgages, . . . . .	60,684
Interest on stock in the public funds, . . . . .	15,075
Interest on private loans, . . . . .	56,941
Profit on bullion, commission, rent, receipts, on discounted bills, unpaid management of the business of the Banks of Ireland and Scotland, and sundry claims, . . . . .	71,859
	<hr/> £ 1,689,176

At the time of the renewal of the Bank charter in 1833, the impression that the Bank was overpaid for the management of the debt was still entertained, and a further reduction of £ 120,000 per annum, by the 3d and 4th William IV. c. 98, was directed to be made from the sum which, up to that period, had been annually paid to the Bank.

Many people imagine that the government and the bank are so identified, the one with the other, that it would be impossible to separate their interests; but this is a great mistake. The government, although debtors to the Bank, are in every other respect perfectly independent of that corporation; and indeed the debt is of such a nature that it cannot be called in but on certain conditions, a consideration having been given for the loan of the money; which consideration, as we have before shown, consists in the privilege of being bankers to the state, and the sole bank of issue in the metropolis. The advantages derived from these two sources of profit are very considerable, as will be seen in the Appendix.

Independent of the usual discounts to the commercial world, the Bank are in the habit of making quarterly advances, which they do by issuing a public notice to the effect, that,

On and after the                      day of                      , the Governor and Company of the Bank of England will be ready to receive application for loans upon the deposit of bills of exchange not having more than six months to run, Exchequer bills, East India bonds, or other approved security; such loans to be repaid on or before the day of                      next, with interest at the rate of                      per cent. per annum, and to be for sums of not less than £ 2,000 each.

The funds of the Bank which are the sources of profit, and which constitute the measure of the sums they have to lend, subject only to a deduction on account of cash and bullion, may be classed under three heads: —

First. The sum received from the proprietors as capital, together with the savings which have been added to it.

Secondly. The sums received from persons keeping cash at the bank, or, in other words, balances on the accounts both of government and individuals.

Thirdly. The sum received in return for notes put in circulation. A corresponding value for every note is of course originally given, and the value thus given constitutes one part of the general fund to be lent at interest. A note-holder does not in fact differ from a person to whom a balance is due; both are creditors of the Bank; the one holding a note, which is the evidence of the debt due to him; and the other having the evidence of the entry in his pass-book, or in the ledger of the Bank.

The sum at all times running at interest will be in exact proportion to the amount of these three funds combined.

The great change in the situation of the Bank took place after the exemption from cash payments, and which change, by extending its circulation, added largely to the profits of the Bank proprietors, who received occasional distributions, as follows:—

In 1799 a bonus of £ 1,164,240, being 10 per cent. on the capital of £ 11,642,400. In May, 1801, another bonus of £ 582,120, being 5 per cent. on the capital. In November, 1802, £ 291,060, being 2½ per cent. In October, 1804, £ 582,120, being 5 per cent. In this year the salaries of the directors of the Bank were increased. In October, 1805, a bonus of £ 582,120, being 5 per cent. on the capital, was given to the proprietors. In October, 1806, £ 582,120, being 5 per cent. And in June, 1816, £ 2,910,600, being 25 per cent. on the above capital of £ 11,642,400. This latter bonus was added to the stock, which then amounted to £ 14,553,000. Previous to 1807, when the legal interest was only 5 per cent., the annual dividend on Bank stock was 7 per cent. It was in that year increased to 10 per cent., and continued at that rate till the year 1822. If, therefore, we add the additional 3 per cent. received during the sixteen years, amounting to £ 5,588,352, and the interest on the above sum of £ 2,910,600 from 1816 to 1831, on which the proprietors of Bank stock received 10 per cent. for six years, and 8 per cent. for nine years, — say £ 3,987,522, — it will be found that the proprietors have received in the shape of bonuses and additional dividends, during a space of thirty-four years, the enormous sum of £ 16,270,254, whilst their original capital of £ 14,000,000 remained undisturbed.\*

In the year 1823, the several pensions payable to the retired officers of the army, navy, and ordnance amounted to the very large sum of five millions annually.

The government, seeing on the one side that the pressure of taxation was very severe, and on the other that our population returns showed a regular increase of numbers, with the prospect of continued peace, were justified in assuming that the nation would gradually be less oppressed by the burden; and the plan of obtaining present relief by transferring a part of that burden to the next generation was recommended.

The debt in question was not in its nature permanent; the deaths occurring among the officers lessened the amount to be paid by nearly £ 100,000 annually, and it was calculated that, on the average of mortality, the whole would come to a close in forty-four years.

This suggested the idea of offering to a great public body a fixed an-

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\* *Vide* Report on Bank Charter, 1833.

nunity for that term of years, in consideration of their relieving the public of a part of the present payment.

The directors of the South Sea Company entertained the project for a time, but soon discovered that it was beyond their means. The government had then recourse to the Bank of England, who accepted the offer to a limited extent, and advanced in the course of five years nearly eleven millions sterling, receiving from the government an engagement to pay them an annuity of £ 585,740 until the year 1867.

The Bank no doubt has since found good reason to regret this contract, which was very appropriately called "THE DEAD WEIGHT"; for a great portion of the money they advanced must have been that of their customers; and, by locking up funds which they were liable to be called upon to pay on demand, they were placed on several occasions in great jeopardy, of which we shall presently have to record a remarkable instance.

During the monetary crisis of 1825, and the beginning of 1826, to which we have more particularly alluded in the previous chapter, the Bank of England advanced nearly ten millions of money on the security of stock, and other property which was absolutely unsalable.

Mr. Harman, speaking of this period before a committee of the House of Commons, says:—

"We (that is, the Bank) lent assistance by every possible means, and in modes that we never had adopted before. We took in stock as security; we purchased Exchequer bills; we made advances on Exchequer bills; we not only discounted outright, but we made advances on the deposit of bills to an immense amount;—in short, by every possible means consistent with the safety of the Bank, and we were not upon some occasions over-nice; seeing the dreadful state in which the public were, we rendered every assistance in our power."

Up to the 8th of December, 1825, the advances by the Bank in discounts were seven millions and a half; on the 15th, they were eleven millions and a half; and on the 29th, they were fifteen millions. The number of bills discounted in one day was 4,200, and the number of applicants exceeded 2,500, all of whom were accommodated.\*

The following letter and memorandum from Lord Liverpool and the Chancellor of the Exchequer were received by the Governor, and laid before the Court on Tuesday, the 28th of February, 1826:—

"Gentlemen,—In order to prevent any misapprehension upon the subject of our discussion yesterday, we think it right to transmit to you the inclosed memorandum, explanatory of the several points which we then brought under your consideration. We have the honor to be, gentlemen, your most obedient, humble servants,

(Signed)

LIVERPOOL,

F. J. ROBINSON.

"The Governor and Deputy-Governor  
of the Bank of England.

"MEMORANDUM.

"1. In the event of the Bank consenting to advance money upon the security of goods under the present circumstances of the country, it is understood that these advances should not exceed the sum of three millions in the whole.

"2. That, assimilating the principle of these advances to the advances made in the ordinary course of discount upon bills of exchange, they shall be subject to repayment in three months.

\* *Vide* Report of Committee of the House of Commons in 1826.

"3. The government to propose to Parliament that the provisions of the act respecting merchant and factor, which will be in force in October next, shall be brought into immediate operation in respect to any goods which may be pledged to the Bank under the proposed arrangement.

"4. If the Bank should think proper to make advances in conformity to these suggestions, the government engage to submit to Parliament the necessary measures for enabling them to reduce the present amount of the advances of the Bank to the government by a repayment of six millions; such repayment to be made as soon as may be practicable, and at all events before the close of the present session of Parliament."

"Resolved, That this Court, having distinctly understood the determination of his Majesty's government not to make any advances for the relief of the commercial distress now prevailing, reluctantly consent to undertake the measure proposed, to an extent not exceeding three millions, upon the terms and conditions expressed in the communication of the First Lord of the Treasury and the Chancellor of the Exchequer."

The following is an account of the places at which boards were established by the Bank of England for advances on goods, and the amount of such advances.

1826, Manchester,	£ 115,490
" Glasgow,	81,700
" Sheffield,	59,500
" Liverpool,	41,450
" Huddersfield,	30,800
" Birmingham,	19,600
" Dundee,	16,500
" Norwich,	2,400
Total amount advanced on goods,	£ 366,940

All other advances made by the Bank, either upon purchase of Exchequer bills, or by discount of commercial bills, were exclusively upon the responsibility of the Bank.

In the summer of 1839, the directors of the Bank were again made sensible of the impropriety of locking up so large a portion of their funds in the Dead Weight; and, as a means of relieving themselves from their perilous condition, they put up a portion of it for sale; but, the price offered not being such as they deemed sufficient, no sale was effected. They then pledged a portion of it to the East India Company for £ 750,000 in Exchequer bills, which bills the Bank soon after sold, and withdrew notes to that amount; and as a further means of retrieving their exhausted state, they, in addition to raising the rate of interest, had recourse to a plan which was as discreditable to a corporation like the Bank of England as it was unprecedented; viz. that of borrowing money of foreign bankers through the medium of accommodation bills, drawn by the house of Baring and Company on their correspondents at Paris, Amsterdam, and Hamburg.

The security given by the Bank for these bills was that of transferring a given amount of the dead weight into the names of two parties, one representing Messrs. Barings, and the other the acceptors of the bills.

The negotiating of these bills, which altogether amounted to £ 2,500,000, took place between the months of July and October, 1839, and the bills were subsequently provided for by a remittance of gold and silver and the purchase of Exchequer bills.



In the month of September, 1839, the amount of gold in the Bank was reduced to £ 2,727,000, with a circulation of £ 17,906,000, and deposits averaging £ 7,600,000, — together £ 25,506,000 ; but the above financial operation had the effect, in the month of October of that year, of stopping the call for gold.

During the same year the greatest variation took place in the rate of interest charged by the Bank on discounts that ever occurred before within the same period of time. On the 16th of May, the rate was raised from four to five per cent. ; on the 20th of June it was further raised to five and a half per cent., and on the 1st of August it was fixed at the rate of six per cent., — a circumstance that had not happened within the past century.

The Bank of England have a large daily demand on the private bankers for bills falling due at their respective houses. It was formerly the custom to collect the chief part of this demand before midday, and it was incumbent on the private banker to discharge such bills in notes ; but the settlement of the charge, as it is termed, does not take place till the afternoon, giving the banker time to receive his collections for the day, and in particular the drafts on the Bank for the amounts discounted with them on that day by the banker's mercantile connections.

These drafts are sent into the Bank in payment for the charge, and contribute to perform those functions for which notes were formerly indispensable, and in that respect may be considered as a species of clearing.

The business of the Bank is now divided into two departments, called the issue department and the banking department. The chief cashier is the banker, who transacts all the business of receiving and paying money, and issues the bank-notes.

The accountant-general of the Bank superintends the accounts of the public creditors, and all the business connected with the national debt.

The number of persons officially employed at the Bank and its branches in 1832, according to the Parliamentary returns, was 940 ; and the amount of yearly salaries, gratuities, &c. paid to the several officers and servants of the establishment was £ 211,930 10s. 10d. ; averaging £ 225 each. There were also 193 pensioners, receiving annually £ 31,242 18s. 11d., averaging £ 161 each. (*Vide Appendix.*)

All the officers of the Bank, including the Governor, Deputy-Governor, and Directors, are, according to the terms of the charter, elected annually on the 1st of May. It was the custom for the Governor, Deputy-Governor, and Directors, to take the oath prescribed by the charter, and afterwards all the clerks of the establishment took an oath of fidelity. The mode adopted was as follows. The Governor, Deputy-Governor, and Directors, having previously taken the required oath, sat in the Bank parlor, and the clerks of all the offices were introduced in sections of a limited number, each person answering to his name, and an oath was administered, as follows : " I, A. B., being elected into the service of the Governor and Company of the Bank of England, do swear, that I will be true and faithful to the said Governor and Company, and will

faithfully and truly execute and discharge the said office or place to the utmost of my skill and power: So help me God."

This practice is now, however, omitted, so far as the clerks are concerned.

The directors of the Bank are chosen from among the proprietors of stock who are merchants of the city. A banker is never admitted to a seat in the direction; it is difficult to account for this exclusion, but the fact is so.

On several occasions we have disapproved of the conduct of the Bank, yet we freely admit that, extensive as our researches have been into its transactions, we have never found a single instance in which a director of the Bank has taken advantage of his situation by making it subservient to his private interests. This is a degree of virtue highly and loudly to be commended in these degenerate days. No director ever holds more stock, during office, than the requisite qualification of £2,000; and the Governor, when his year of office expires, immediately reduces the amount of his stock, which during his management has been doubled, to its original amount. As a strong instance of the truth of this assertion,—when in 1816 the very large bonus of 25 per cent. increase of capital was given to the proprietors, "the Bank directors," according to the evidence of Mr. Horsley Palmer before the Committee on the Bank Charter, "remained, as they were before, small proprietors of stock."

The number of votes possessed by any one of the proprietors of Bank stock cannot exceed four; the following was the number of votes in each class in the year 1838:—

One vote.	Two votes.	Three votes.	Four votes.
1	446	168	463

The total number of proprietors entitled to vote at every court of proprietors was accordingly 1,078.

The act of the 7th George III. enacts, that no person shall be entitled to vote at any of the quarterly meetings of the proprietors of Bank stock, unless he has been six calendar months possessed in his own right of the stock on account of which he tenders his vote; unless the said stock shall have been acquired, or shall have come by bequest, or by marriage, or by succession to an intestate estate, or by the custom of the city of London, or by any deed of settlement after the death of any person who shall have been entitled for life to the dividends of such stock.

It is incumbent on the chief cashier or his deputy to reside within the walls of the Bank. The apartments appropriated to such officer are refurnished on the appointment of every new cashier, and according to his own taste, at a cost not exceeding a certain amount, but which is always very ample.

All the avenues of the Bank are closed by eleven o'clock at night, and the keys of the several gates are at that hour delivered into the custody of the chief cashier or his deputy, after which no person is permitted, on any pretence whatever, either to leave the premises or gain admittance.

The management of the affairs of the Bank rests entirely in the Court of Directors, the whole of whom interfere in the general concerns of the Bank. They are all aware, by a weekly statement read to the court, of the actual position of the Bank in every department, of its securities, its bullion, and of its liabilities; and no portion of the directors have a greater control over the affairs than others.

The directors, although they call the proprietors together at stated periods, do not allow them to exercise any judgment, either as regards the rate of dividend, or in the choice of directors. These subjects are adjusted by the Board of Directors: the proprietors are simply called upon to register, without knowing wherefore, the previous resolutions of the board. All that generally passes at those courts, called for considering and declaring dividends, is, that the Governor declares *the directors are of opinion* that the dividend should be so much, and desires the proprietors to signify their assent or dissent. Singular to say, the former is invariably conceded. The dividend is declared without any production of accounts, the opinions of the directors being adopted in contradiction to positive acts of Parliament, which direct *that the whole of the profits* shall be annually divided among the proprietors for the time being.

At the half-yearly meetings of the proprietors of the Bank, it sometimes happens that one or more of the stockholders endeavor to elicit some information relative to the conduct of the executive, and also as to the cause of any particular loss sustained by the Bank, and from what data the directors have fixed the dividend. These and similar questions are generally put in the most cautious manner; and, if answered at all, — which is a rare occurrence, — are met with an equal degree of caution on the part of the Governor. That functionary is, however, on some occasions, taken by surprise, and betrayed into admissions which are contrary to the practice of the court. A singular instance of this occurred a few years ago, at a meeting for declaration of dividends, when it was stated by the Governor (Sir John Rae Reid), that during the past year the amount of commercial paper discounted by the Bank was £ 40,000,000. As this amount was unusually large, and as the rate of interest charged by the Bank was  $5\frac{1}{2}$  to 6 per cent. with only a loss of £ 600, it naturally occurred to the stockholders to inquire why the dividend was not larger than the corresponding period of the last year; and, on one of them putting a question to the chair, as to whether the repayment of the money borrowed from the Bank of France had been attended with any considerable loss to the corporation, the Governor was on the point of answering this question, when some kind friend, like a second Mentor, whispered something in the ear of the Governor, which had the effect of immediately sealing his lips, and he refused to answer the question.

At these periodical meetings, as little as possible of the affairs of the Bank is disclosed by the directors, from the fear that, should they be more explicit, it might endanger their property by depreciating the value of bank stock; and to such an extent is this system of secrecy carried, that it is a proverbial saying, "That if you met a Bank director going

across the Royal Exchange, and you asked him what o'clock it was, he would say, 'You must excuse my answering *that* question.' "

In former times the practice of the Bank of England, like that of Venice and Amsterdam, was to observe strict secrecy in regard to its affairs, whether relating to the amount of its notes in circulation, its treasure in hand, or its yearly profits. But on the renewal of their charter in 1833, it was one of the conditions that the directors of the Bank should send to the government a weekly and monthly statement of their liabilities and assets, from which a quarterly statement should be compiled and published in an official form in the *London Gazette*. The Bank at first strongly opposed the publication, even of this meagre state of their affairs, on the plea that it would be prejudicial to their interests; but they at last yielded the point, and continued to publish their quarterly statements in the *London Gazette*, until the passing of the 7 and 8 Victoria, cap. 32, which obliges the Bank to publish a weekly statement of its affairs, "according to the schedule attached to this act."

A very clear exposition of the nature of the transactions of the Bank with the Exchequer was given by Mr. Abraham Newland, the chief cashier of the Bank, on the 28th of March, 1797, in his examination before the Committee of Secrecy, appointed by the House of Lords; the following extract of which is in the precise words of that faithful officer of the bank, who had at that period been nearly half a century in the service of the corporation:—

Q. What is your employment at the Bank?

A. I am chief cashier, and superintend many departments therein.

Q. Will you explain to the committee the manner in which business is conducted between the Bank and the Exchequer?

A. When application is made from the Lords of the Treasury to the Bank to advance money on the land tax, malt duties, vote of credit, or any other service, the rate of interest is then adjusted. After this the Lords of the Treasury direct issues either out of the land, malt, vote of credit on the public money, to be paid for the use of the army, navy, ordnance, or a variety of other services, upon which credit is given to the paymaster of the army, navy, ordnance, &c., to the amount of the sum issued for that particular service, and for which the Bank receives as many Exchequer bills of £1000 each as the said sum amounts to; which, when done, the paymasters draw on the Bank for the sum carried to the credit of their accounts. If the sum is a fractional part of £1000, the difference is made up in cash. If moneys are issued to the paymasters of the army, navy, &c., or other persons for any other services, out of moneys remaining in the tellers' chest, then the tellers return to the clerk of the Bank as many Exchequer bills of £1000 each as they have given credit for in the books of the paymasters, or that they have given bank-notes for.

If the parties should choose to take bank-notes instead of a credit in the books, the Bank receives Exchequer bills in lieu thereof. If any individual has money to pay into the receipt of the Exchequer, whether it arises from loans, public duties, or any other services, the Bank gives to the tellers as many Exchequer bills of £1000 each as the above sums amount to, they having received the like sum in bank-notes or in cash in the course of the day, for which purpose three clerks of the Bank attend every day at the Exchequer.

Q. In the receipt of bills and cash at the Exchequer in the manner in which you have described, what has been the proportion of cash, and did that proportion vary in the course of last year?

A. I conceive that in the course of a year £100,000 in cash is fully sufficient to transact the business of the Exchequer; the detailed part of the business is all transacted in the Bank.

Q. In what manner is the interest of the Exchequer bills paid and calculated? Do

you receive the interest on the Exchequer bills only during the time that these Exchequer bills are in the Bank, or do you continue to receive it when they are deposited by the Bank with the Exchequer?

A. As to the first part of the question: when any money is paid on the land tax, or any other service, the same is given to the clerks of the Bank, and at the close of the day the clerks of the Exchequer send up a piece of paper to the Bank clerk, informing him that so much money has been paid off the land tax, which sum he receives, and the interest ceases at the same time; but in regard to the second part of the question, whether the Exchequer bills remain in the Bank or are deposited in the Exchequer, the interest is continued to be paid until the land tax is paid off.

Q. But when money is raised under the authority of Parliament by Exchequer bills, when these bills have been issued by the Exchequer to the Bank, and afterwards are returned and deposited in the tellers' chest, do the Bank continue to receive interest for the bills so deposited?

A. They do.

Q. Are these bills, then, considered as so much cash paid by the Bank into the Exchequer, and is the Bank under an obligation to take back the Exchequer bills as cash?

A. They are.

Q. When notes or cash are paid to the Bank for the Exchequer, and Exchequer bills returned upon them, do not the government pay interest for these Exchequer bills?

A. Undoubtedly; for they are nothing more than pass tickets.

For nearly a century the Bank of England sent to the Exchequer persons duly authorized to examine and receive its own notes. And by virtue of the statute 46 Geo. III. c. 75, 76, 83, and 150, the Bank clerks so attending the Exchequer were bound to receive cancelled notes from the Receivers-General of Customs, Excise, Stamps, and Post-Office, and to give such Receivers-General credit for them with the teller as for so much cash. The practice also for many years prevailed of receiving, through the medium of the Bank clerks, not only these branches of the revenue, but all moneys whatever paid to the teller on the public accounts, the general use of paper money having made it necessary to adopt this course, in order to verify the notes presented at the Exchequer, and to enable the teller, consistently with his own responsibility, to accept them in payment of the revenue. The ordinary mode in which payments were made into the Exchequer was as follows. The person who brought the money deposited by direction of the teller his notes and cash with one of the Bank clerks, from whom he received a ticket, addressed to the deputy teller, expressing the amount of the sum so received on behalf of the teller.

At the close of each day's business, the payments made by the Bank on the teller's account were balanced against the receipts, and the difference, if in favor of the teller, was received by him from the Bank clerks. This balance was by them made up in separate parcels of bank-notes. Each parcel was ticketed with its amount and the date of its deposit. It was then examined by the teller's clerk, by an officer from the auditor and by an officer from the Pells office, and the whole sum — with the exception of the fractional parts under £ 100 — was deposited in an iron chest in the cash-room of the teller.

From some inquiries on the subject of collecting and transmitting the public revenue to London, made by a committee of the House of Commons in 1780, it appears that at that period the mode of trans-

mitting the public revenue to the Treasury was both irregular and expensive.

In Scotland there was no certain or regular channel of remitting to the metropolis, and the remittances were not only very uncertain as to the time, but the collectors, not being always able to obtain bills, were frequently under the necessity of remitting to the Receiver-General the actual money which they had collected. In different parts of England the same difficulties had at former periods been experienced. From about the year 1740, it appears that a premium had been paid to those who undertook the charge of remitting the money, varying from 2s. 6d. to 20s. per cent. This premium, as the country advanced in wealth and industry, was gradually reduced; and about the year 1778 it was entirely abolished. Since the general establishment of country banks, and the consequent increase of commercial confidence, the largest sums were remitted from the remotest parts with the most perfect regularity, and without either premium or security; the only advantage derived by the banker from the transaction being the use of the money for a certain number of days, varying in proportion to the distance from London. Almost the whole of the public revenue from the country is now received at the various branches of the Bank of England, and the government have credit for it in the Bank books without any loss of time.

Previous to the consolidating of the nation's debts into what is now termed the public funds, the payments for all loans and taxes were made at the Exchequer. Since that time the Bank of England have undertaken generally the management of the national debt: they provide suitable accommodation for transferring the property of the fund-holder, and they also pay the dividends on the same as they respectively become due. The total amount of expenses incurred by the Bank in this branch of their business is £ 164,143 per annum. The particular items of which this amount is composed will be found in the Appendix to the Report of the Committee of the House of Commons on the renewal of the Bank Charter in 1833.

The first attempt towards defraying the expenses of a war by regular loans was made by the state of Florence in the year 1341, when the government, finding itself in debt to the amount of £ 60,000, and unable immediately to discharge the debt, formed the principal sum into an aggregate joint-stock, divided into shares, which were made transferable, bearing interest at 5 per cent. per annum, and varying in price according to the state of public credit. Though at so early a period as that we have mentioned the system now generally adopted was understood in Italy, and put in practice, yet it was not till the end of the seventeenth century that Louis the Fourteenth of France funded, — as it is called, — though in a very irregular manner, the debts incurred by him in his long and expensive wars.

When, however, the plan of borrowing money to assist the operations of a war was first introduced into this country, it was merely considered as a temporary expedient to relieve a pressing emergency, without any apprehension of injury or inconvenience to posterity. For several years

no other mode was thought of than that of anticipation ; and Parliamentary provision was invariably made for the liquidation of such debts by means of annuities of various kinds, and of taxes appropriated to particular debts, calculated to produce both interest and a surplus towards the discharge of the principal.

It was reserved for the house of Hanover to break through this salutary regulation ; for we find that in the early part of the reign of George the First the doctrine of raising money by way of loan, and providing only for the payment of the interest, leaving the principal to be paid by posterity, was first adopted by the English government, who, finding it necessary to raise money, thought it safer to transfer the public debt to posterity than at that time to irritate the public mind by increasing the taxes for the discharge of the principal. This policy gave rise to the acts passed in the years 1715, 1716, and 1717, by which the several taxes appropriated to the discharge of the debts of the government were consolidated in four funds ; viz. the Aggregate, the South Sea, the General, and the Sinking Fund. The latter was formed from the surplus of the three former, and was intended for the purpose of reducing and ultimately discharging the debts of the nation. To each of these funds a variety of duties was appropriated, comprehending altogether the whole revenue, except the land tax and malt tax, which were granted annually, and other branches then appropriated to the support of the civil government. This was the commencement of the funding system.

The public debt is distinguished into funded and unfunded. The funded debt consists of the capital or annuities assigned for loans, and generally transferable at the Bank of England. The unfunded debt may arise from any transaction which constitutes a claim against the public ; but the greater part arises from the issue of Exchequer and Navy bills. These are convertible into funded debt, and have, from time to time, been funded to a considerable amount ; that is to say, capital in one or more funds has been assigned to the holders of such bills, instead of payment on such terms as they were willing to accept.

A statistical account of the progress of the national debt, from its commencement to the end of the war, will be found in the Appendix ; also an account of the annual revenues of the kings of England from the time of the Conquest to the present day. The inaccuracy and ambiguity of ancient records prevent this latter document from possessing a claim to the character of official accuracy ; notwithstanding which it is curious, as an approximation to a fair statement of the amount of the public incomes at various periods.

The debts contracted by government differ from those between individuals, inasmuch as in the former the lender is not at liberty to reclaim his principal, and therefore, if he should have occasion for the money so advanced, the only method by which he can obtain it is by transferring the debt due to him to some other person who may be disposed to purchase it. If the purchaser cannot, by employing his money in any other manner, realize a profit equal to the interest paid to the public creditor on the same sum, he will be induced to give the holder of the



security somewhat more than the sum originally advanced ; or if, on the contrary, he can make a greater interest by any other means, or entertains any doubt respecting the punctual payment of the interest and the ready disposal of the principal, when he may have occasion for his money, he will not invest his money in this way.

The greatest portion of the national debt consists of perpetual annuities ; the other parts, of annuities for a certain number of years, and life annuities.

The perpetual annuities are distinguished according to the rate of interest they pay, or the time and purpose of their creation. When the government, by a new loan, contracts an additional debt bearing a certain fixed rate of interest, it is usual to add the capital thus created to the amount of that part of the public debt which bears the same interest and name, and to add the produce of the taxes levied for the payment of the interest of such new debt to the fund provided for paying the interest of the original or former capital ; thus consolidating the old and new debts, and making the whole interest payable out of the general produce of the same fund ; hence we have the Three per Cent. Consolidated Annuities, &c. When the government were desirous of borrowing money, the Three per Cents were generally preferred ; and, supposing they could not negotiate a loan for less than  $4\frac{1}{2}$  per cent., the object was effected by giving the lender, in return for every £ 100 advanced, £ 150 in the Three per Cent. stock ; in other words, the government bound the country to pay the lender or his assignees £ 4 10s. per cent. per annum in all time to come, or otherwise to extinguish the debt by a money payment of £ 150.

In consequence of the prevalence of this practice, the principal of the debt now existing amounts to nearly one fifth more than the sum actually advanced by the lenders.

On this subject, Dr. Price, in his preface to the third edition of his "Observations on Reversionary Annuities," page 14, says : —

"Were a person in private life to borrow £ 100 on condition it should be reckoned £ 200 borrowed, at two and a half per cent., he would, by subjecting himself to the necessity, if he ever discharged his debt, of paying double the sum he received, gain something of the air of borrowing at two and a half per cent., though he really borrowed at five per cent. But would such a person be thought in his senses ? One cannot indeed, without pain, consider how needlessly the capital of our debts has been, in several instances, increased. Thus do spendthrifts go on, loading their estates with debts, careless what difficulties they throw on the discharge of the principal, leaving that to their successors, and satisfied with any expedients that will make things do their time."

The loans to government are generally advanced by instalments, the first of which is usually 10 to 15 per cent. deposited at the time of subscribing, and the remaining payments are fixed at stipulated periods, seldom exceeding a month between each.

The greater part of the subscribers dispose of their several articles that make up the terms of the loan, and which collectively are called *omnium*, separately. They are distinguished by the name of *scrip*, an abbreviation for subscription, till the whole of the loan is paid up.

Previous to 1793, the manner of effecting loans was by open sub-



scription at the Bank of England. Terms were proposed by government, and these were arranged so as to afford the subscribers a small additional rate of interest above the market rate; and the subscription was generally filled in a short time. But in 1793 Mr. Pitt introduced two alterations in the plan of borrowing: — First, that of borrowing in a nominal capital; secondly, that of receiving biddings for loans from “loan contractors.” Since that time nearly all loans have been made in Three per Cent. stock.

The history of the finances of this country since 1793 presents several instances of enormous loss occasioned by mismanagement. A great many millions have been wasted in the following ways: — First, by the sinking fund of Mr. Pitt; secondly, by raising loans in nominal capital; thirdly, by the Dead Weight loan; fourthly, by bad bargains in funding Exchequer bills; and fifthly, by the life annuity scheme.

No country has ever paid more dearly for the ignorance of its legislature in those things which are taught by the science of political economy; for it is to sheer ignorance, and not to any improper motives, that this immense loss of public property is to be attributed. Fortunately, the force of common sense is contributing to the rapid extension of this science, in defiance of all the attempts of interested or prejudiced individuals to decry it; and we may look forward to great practical relief from existing burdens and obstructions in finance and trade as the certain effect of its progress. (*Vide* Dr. Hamilton, “History of the National Debt,” and Sir Henry Parnell on Financial Reform.)

The national debt is divided among, and forms the chief property of, a very large body of proprietors, who, being attached to the present state of things by the powerful tie of interest, and in general coming within Mr. Burke’s definition of the political citizens who compose the British public, form a permanent majority, “perfectly sound, of the best possible disposition to religion, to government, to the true and undivided interest of their country,” which is one of the best securities for the continuance of our internal tranquillity and national prosperity.

The invariable and regular payment of the interest on public debts produces not only a useful employment for every man’s money, but each individual has also an advantage in the support given to that state of which he is a member, because, in granting it, he exonerates himself from further evils, to which he would be exposed, if the state refused or was unable to pay.

When a bargain for the sale of stock is agreed on, it is carried into execution at the Transfer Office at the Bank or South Sea House. For this purpose the broker makes out a note in writing, which contains the name and designation of the seller and purchaser, and the sum and description of the stock to be transferred. He delivers this to the proper clerk, and then fills up a receipt, a printed form of which with blanks is obtained at the office. The clerk in the mean time examines the seller’s accounts, and, if he finds him possessed of the stock proposed to be sold, he makes out the transfer. This is signed in the book by the seller, who delivers the receipt to the clerk; and, upon the purchaser signing his acceptance in the book, the clerk signs the receipt as witness. It

is then delivered to the purchaser on the payment of the money, which concludes the transaction.

This business is often transacted by bankers, who derive their authority from their employers by power of attorney. Some authorize the bankers to sell, others to accept a purchase, and others to receive the dividends; some comprehend all these objects, and the last two are generally united. Powers of attorney authorizing to sell must be deposited in the proper office for examination one day before the sale can be effected, for the purpose of examining into the genuineness of the signature and other matters. The neglect of this precaution formerly entailed upon the Bank considerable losses by forgeries. A stockholder acting personally, after granting a power of attorney, revokes it by implication. The person in whose name the stock stands when the books are closed, is entitled to the dividend for the half-year preceding, and therefore a purchaser during any period of the currency of the half-year has the benefit of the interest on the stock he buys from the last term of payment to the day of transfer; the price of stock therefore rises gradually, *ceteris paribus*, from term to term, and when the dividends become payable the price again falls.

The dividends on the different stocks are so arranged as to become due at the different quarterly periods of the year, so that it is in the power of the stockholders to invest their property in such a manner as will enable them to receive their incomes quarterly.

The business of speculating in the funds is founded on the variations of the prices of stocks, which it probably tends in some measure to create. It consists in buying and selling stock, according to the views entertained by those who engage in the business of the probability of the value rising or falling. This business is partly conducted by persons who have property in the funds. But a practice also prevails among those who have no such property, of contracting for the sale of stock on a future day, at a price agreed on. For example: A may agree to sell B £1,000 of Three per Cent. stock, to be transferred in fourteen days, for £600. A has, in fact, no such stock; but if the price of that kind of stock on the day appointed for the transfer be only fifty-eight per cent., A may purchase as much as will enable him to fulfil his bargain for £580, and thus gain £20 by the transaction. On the other hand, if the price of that stock should be sixty-five per cent., he will lose £50. Transactions of this kind are generally settled without any actual transfer of stock, by A paying to B, or receiving from him, the difference between the actual price of stock on the day of settlement and the price agreed on.

This practice, which amounts to nothing else than a wager concerning the price of stock, is not sanctioned by law; yet it is carried on to a great extent; and, as neither party can be compelled by law to fulfil these bargains, their sense of honor, and the disgrace attending a breach of contract, are the principles by which the business is supported. In the language of the Stock Exchange, the buyer is called a *bull*, and the seller a *bear*, and the person who refuses to pay his loss is called a *lame duck*; and the names of these defaulters are exhibited in the Stock Exchange, where they dare not afterwards appear.

These bargains are usually made for certain days fixed by a committee of the Stock Exchange, called *settling days*, of which there are about eight in the year; viz. one in each of the months of January, February, April, May, July, August, October, and November, and they are always on Tuesday, Wednesday, Thursday, or Friday, being the days on which the Commissioners for the Reduction of the National Debt make purchases. The settling days in January and July are always the first days of the opening of the Bank books for public transfer, and these days are notified at the Bank when the Consols are shut to prepare for the dividend. The price at which stock is sold to be transferred on the next settling day is called the price *on account*. Sometimes, instead of closing the account on the settling day, the stock is carried on to a future day, on such terms as the parties agree upon. This is called a *continuation*.

All the business, however, which is done in the stocks *for time* is not of a gambling nature. In a place of such extensive commerce as London, opulent merchants who possess property in the funds, and are unwilling to part with it, have frequently occasion to raise money for a short time. Their resource in this case is to sell for money, and buy for account; and although the money raised in this manner costs more than the legal interest, it affords an important accommodation, and it may be rendered strictly legal and recoverable.\*

The origin of the Sinking Fund was the passing of an Act in the first Parliament of George the First, entitled "An Act for redeeming the South Sea Company's Fund, and for settling on them a Yearly Fund after the rate of five per cent. per annum, and to raise for an Annuity or Annuities at five per cent. a sum not exceeding £ 2,000,000, to be employed in lessening the Debts." In the preamble to this Act, the 3d, 5th, 6th, and 10th Money Acts of Anne, Parliament 4, Session 1, were recited, after which was recited that part of the 4th Money Act of William III. Parliament 3, Session 1, which related to the provision made for the debt called "The Banker's Debt," out of the hereditary excess, to which was added the following clause, viz. : —

"All the moneys to arise from time to time, as well of the excess or surplus of an act made this session for redeeming the funds of the Bank of England, and of the excess or surplus by virtue of one other act made likewise this session for redeeming the funds of the South Sea Company, as also of the excess or surplus of the duties and revenues by this act appropriated as aforesaid, and of the overplus moneys of the said yearly fund by this act established, shall be appropriated to the discharging of the principal and interest of such national debts as were incurred before the 25th of December, 1716, and are declared to be national debts, and provided for by Parliament in such manner as shall be directed by any future act, and to or for no other use whatever."

The Sinking Fund went on gradually increasing in amount for some years, and might, if properly managed, have answered the purpose for which it was created; but, sixteen years after its formation, a motion was made by Sir Robert Walpole in the House of Commons "to enable his Majesty to apply the £ 500,000 out of the Sinking Fund for the ser-

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\* The above account has been principally extracted from a work called "Every Man his own Stockbroker."

vice of the year 1733, and for the further disposition of the said fund, by paying off £ 1,000,000 of the South Sea Annuities." This misapplication was probably foreseen by some members of the House ; for, in order to prevent it, a motion was made on the 7th of February, " That the House would raise the necessary supplies for 1733, without creating any new debts upon any fund whatever."

The supporters of this motion urged the prohibition of the law, the faith of Parliament, and the security of the kingdom. The proposer of the alienation was reminded of his inconsistency and treachery in endeavoring to beat down that very monument of glory which he had boasted of having erected for himself; and one member, *Sir John Barnard*, warned him that he was drawing upon himself the curses of posterity. But all arguments were vain. The ministry pleaded that the *landed interest wanted ease*; that there was no occasion to be in a hurry to pay the national debt; and that the circumstances of the kingdom had altered so much since the establishment of the Sinking Fund, that the competition then among the public creditors was, not who should be *first*, but who should be *last paid*. Thus argued, among others, *Sir Robert Walpole*. *His* reasons prevailed; and the House of Commons gave way.

In the next session an Act was passed enabling his Majesty to apply the sum of £ 1,200,000 out of the Sinking Fund, for the year 1734; thus, nearly the whole of the fund was diverted from the sacred uses to which it had been originally appropriated, and applied to the current expenditure, at a time when we were at peace with all the world. The same mischievous policy was in subsequent sessions pursued; and it appears that the temptation to nibble at this fund was too great to be resisted, even by the most virtuous of ministers, who, one after the other, dipped into it, each thinking, no doubt, to verify the old adage, " that 't is easy from a cut loaf to take a slice," until it was all swallowed up.

Thus expired, after an existence of a few years, the Sinking Fund, that sacred blessing, as it was thought, and the nation's only hope. In consequence of a new arrangement of the public accounts in 1786, the distinction of Aggregate, South Sea, General, and Sinking Funds was abolished, all being included under one general head, called the Consolidated Fund.

In the same year a new scheme for liquidating the public debts was proposed by the well-known Dr. Price; and in order to establish this plan, the surplus of the revenue, which was stated to be £ 919,291, was, by new taxes, raised to £ 1,000,000, which annual sum, by the 26 Geo. III. c. 31, was vested in certain Commissioners; viz. the Speaker of the House of Commons, the Chancellor of the Exchequer, the Master of the Rolls, the Accountant-General of the Court of Chancery, and the Governor and Deputy-Governor of the Bank of England for the time being. This million was to be issued in four equal quarterly payments, and applied either in paying off such redeemable annuities as should be at or above par, in such manner as should be directed by future acts of Parliament, or in the purchase of annuities below par at the market price.

When the above-named act was framed, Mr. Pitt boasted that the *then Sinking Fund* was fortified as much as possible against alienation.

On the 17th of February, 1792, it was proposed that in future, in addition to the surplus of £ 1,000,000, the Parliament should annually vote the sum of £ 400,000 to the Sinking Fund.

The Finance Committee, appointed in 1817, reported in the following year that the *deficiency of revenue* amounted to £ 1,500,000, and resolved, "That the finances of the country could not be established on a solid basis until the annual income should exceed the expenditure by £ 5,000,000,"—a consummation devoutly to be wished, but never realized.

Dr. Hamilton of Aberdeen has the merit of having dissipated the delusion that the national debt could be paid off by appropriating a portion of the taxes to accumulate by compound interest; such a notion, although for a long period entertained, was at last, by the mere force of reasoning, abandoned. Dr. Hamilton showed that the excess of revenue over expenditure is the only real sinking fund,—the only means by which any portion of the public debt had ever been or ever could be paid off,—and that all sinking funds operating at compound interest or otherwise, excepting in as far as they happened to be founded on this principle, were mere quackery and delusion. In fact, upon examining into the matter, it was found that the public debt would have been decidedly less had the Sinking Fund never been heard of.

After such an exposition, the existence of the Sinking Fund was impossible; and, having undergone various modifications, it was finally abolished by the 10th George IV. c. 27. The statute enacts, that the sum thenceforth annually applicable to the reduction of the public debt shall consist of the *actual surplus revenue beyond the expenditure*. Thus was this second sinking fund, the boasted monument of Mr. Pitt's genius, consigned to oblivion, like its predecessor.

The manner in which provision is made by government for the payment of the quarterly dividends is, for the Lords of the Treasury to direct warrants to be drawn out for the payment of particular funds, due at each quarter, which warrants are sent to the auditor of the Exchequer, who directs an order to be made out for the teller of the Exchequer to pay certain sums to satisfy the dividends then due. The warrant and order are sent to the Treasury, which returns them to the auditor of the Exchequer, who keeps the warrant in his own possession for his security, and upon the order directs the teller of the Exchequer to pay certain sums thereon to the amount of the dividends then due and particularly specified, which is done by giving to the clerk of the Bank as many Exchequer bills of £ 1,000 each as the said quarterly dividends amount to, and for which the chief cashier gives a receipt, and thus the Bank pay each claimant a dividend thereon.

The manner in which the Bank proceed in preparing the dividend warrants is, by making the amount of each party's stock agree with the total amount of that particular stock, and the amount of interest on each warrant to correspond with the total amount of interest due on that particular stock by government; but as the Bank never pay the fractional

parts of a penny, they are compelled to calculate the interest on each warrant to the third figure of decimals beyond a penny, which prevents, as far as human prudence can, the possibility of an error. The total differences of the decimals yield to the Bank a net profit of more than £ 100 per annum.

The various acts of Parliament relating to loans conferred important privileges upon the Bank of England. They directed the Bank to open books for receiving and entering the contributions of the subscribers of sums in consideration of annuities to be granted, such subscribers, and those deriving title under them, being usually denominated "*the public creditor*"; and the acts proceed to make the annuities payable at the Bank, and also to provide that the Bank shall CONTINUE A CORPORATION SO LONG AS ANY PART OF THE ANNUITY SO CREATED SHALL REMAIN UNREDEEMED.

The acts are stated in an abbreviated form in the general collection of the statutes. The clause subjoined, for continuing the corporate character of the Bank, is extracted from the 20th of George III. c. 16, and is common to all these acts : —

"Provided always, and be it further enacted, by the authority aforesaid, that the said Governor and Company of the Bank of England, and their successors, notwithstanding the redemption of all or any of their own funds, in pursuance of the acts for establishing the same, or any of them, shall continue a corporation for the purpose of this act until all the annuities by this act granted shall be redeemed by Parliament as aforesaid, and that the said Governor and Company of the Bank of England, or any member thereof, shall not incur any disability for or by reason of their doing any matter or thing in pursuance of this act."

There are numerous acts of Parliament, more or less connected with the Bank, relating to advances to government. The purchase of government securities, the public balance in the hands of the Bank, restriction on and resumption of cash payments, restraining the negotiation of promissory notes under a limited sum, the circulation of tokens, the protection of the property of the Bank, the punishment of persons guilty of forgery and counterfeiting tokens, and regulating modes of transacting business with the Bank in relation to accounts directed to be opened there for greater security, &c. The mere titles of these various acts extend to nearly 200 pages.

The following regulations for the transaction of business by the Bank of England with parties keeping cash accounts with that corporation were issued on the 4th of June, 1832, and signed by Thomas Rippon, chief cashier : —

1. The Bank receive dividends by power of attorney for all persons having drawing accounts at the Bank.
2. Dividend warrants are received at the Drawing Office for the same.
3. Exchequer bills, and other securities, are received for the same, the bills exchanged, the interest received, and the amount carried to their respective accounts.
4. Checks may be drawn for £ 5 and upwards, instead of £ 10, as heretofore.
5. Cash-boxes taken in, contents unknown, for such parties as keep accounts at the Bank.
6. Bank-notes are paid at the counter, instead of drawing tickets for them on the pay clerks, as heretofore.
7. Checks on city bankers, paid in by three o'clock, may be drawn for between four

and five, and those paid in before four will be received and passed to account the same evening.

8. Checks paid in after four are sent out at nine o'clock the following morning, received, and passed to account, and may be drawn for as soon as received.

9. Dividend warrants taken in at the Drawing Office until five in the afternoon, instead of till three, as heretofore.

10. Credits paid into account, and received without the Bank book, and are afterwards entered therein without the party claiming them.

11. Bills of exchange, payable at the Bank, are paid with or without advice; heretofore with advice only.

12. Notes of country bankers, payable in London, are sent out the same day for payment.

13. Checks are given out in books, and not in sheets, as heretofore.

THO. RIPPON, *Chief Cashier*.

Bank of England, 4th June, 1832.

The late Mr. Rippon, chief cashier of the Bank of England, furnishes an extraordinary instance of the manner in which the mind becomes warped by continued and close application to business. He always declared he felt himself nowhere so happy as in his business, and, though for upwards of fifty years in the Bank, he never solicited but one holiday, and that was on the recommendation of his medical adviser, on account of ill health. The permission for leave was instantly granted, and he left London with the intention of being absent a fortnight; but the *ennui* of an idle life and the want of his usual occupation so preyed upon his spirits, that he actually returned to the Bank at the expiration of three days, stating as a reason, that green fields and country scenery had no charms for him.

Mr. Rippon was always remarkable for his sound judgment, preciseness, and extreme punctuality; and his long services and habits of economy enabled him to leave behind him a fortune of sixty thousand pounds.

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**VIRGINIA FINANCE.**—The following is part of the financial article of the new Constitution of the State of Virginia, adopted by the Reform Convention of 1850–51, and approved by the people on the fourth Tuesday in October, 1851:—

"Article 28. The liability to the State of any incorporated company or institution, to redeem the principal and pay the interest of any loan heretofore made, or which may hereafter be made, by the State, to such company or institution, shall not be released; and the General Assembly shall not pledge the faith of the State, or bind it in any form, for the debts or obligations of any company or corporation.

"Article 29. There shall be set apart annually, from the accruing revenue, a sum equal to seven per cent. of the State debt existing on the first day of January in the year one thousand eight hundred and fifty-two. The fund thus set apart shall be called the Sinking Fund, and shall be applied to the payment of the interest of the State debt, and the principal of such part as may be redeemable. If no part be redeemable, then the residue of the Sinking Fund, after the payment of such interest, shall be invested in the bonds or certificates of debt of this Commonwealth, or of the United States, or of some of the States of this Union, and applied to the payment of the State debt, as it shall become redeemable. Whenever, after the said first of January, a debt shall be contracted by the Commonwealth, there shall be set apart in like manner, annually, for thirty-four years, a sum exceeding by one per cent. the aggregate annual interest to be paid thereon, at the time contracted, which sum shall be part of the Sinking Fund, and shall be applied in the manner before directed. The General Assembly shall not otherwise appropriate any part of the Sinking Fund or its accruing interest, except in time of war, insurrection, or invasion."

## THE NATURAL FORMATION OF GOLD.

From the London Athenæum, September 27, 1851.

THE natural formation of gold has been the subject of much discussion, — and no small amount of error has been promulgated as to the mode of its occurrence. This being the case, we deem it important to give, briefly, the best obtainable information on this point.

Nearly all the gold of commerce is obtained from the sands and gravels which have been produced by the disintegration of the primary mountains, during vast periods of time, and spread out over the surface of the country, — deposited in valleys or diffused over the beds of rivers, at a greater or less distance from the original hills according as the action of winter torrents or occasional floods has been more or less powerful. In England we find gold disseminated with tin in the “stream works” of Cornwall; and at Carnon, near Truro, some pieces of gold as large as hazel-nuts have been found. In Wales the Romans worked gold mines, the remains of which still exist; and in Merionethshire some considerable quantity of gold has been “mined” from a quartz vein within the last few years. The gold streams of Wicklow are well known; and are now referred to only for the purpose of drawing attention to the fact, that gold is always mixed with the *débris* of the older rocks, or found associated with them. The native rock of this precious metal is either quartz or a very quartzose one. It is sometimes found in clay, slate, and limestone, — but far less frequently than in the quartz veins which are found running through the granitic, the porphyritic, and the metamorphic rocks. These conditions will be found to prevail in the gold districts of the Ural Mountains, and also in California and in Mexico.

It is, from existing evidence, fair to infer that the gold has originally existed either in veins or disseminated through the mass of the rock, — and that it has been a comparatively superficial formation. Hence, with the earliest disintegration of the face of the hills, under the operation of atmospheric causes principally, the gold has been broken out, — and, with the *débris*, borne by waters towards the lower grounds, — its high specific gravity preventing it from being carried so far from its source as the lighter materials of which the rock is composed.

The Bathurst District (Australia) lies on the western side of the Blue Mountains, — a range which comprehends among its rock formations a great variety of the crystalline or unstratified rocks, — as granite (both the porphyritic and common kinds), sienite, quartz rock, serpentine, and eurite. Mica slate and siliceous slates form also a portion of the stratified rocks. This very extensive Alpine range stretches from the northern shore of Australia to the southern shores of Van Diemen's Land; and through its whole length the same geological conditions prevail. These bear a striking resemblance to those observed in the Uralian Mountains and in the ranges of California. That the natural conditions for the production of gold exist here are therefore certain; — and



from the fact that gold has been found, it need not be doubted that it is an auriferous district. It should, however, not be forgotten, that the success of any enterprise in search of the buried treasure must depend on the quantity raised by a given amount of labor. In the process of gold-washing this labor is often excessive. As an example, we have the following facts given by the Imperial Mining Institute of Russia. The auriferous sands of the mines of Yegoro-Kankrniski produce twelve ounces troy of gold in every 140 tons,—those of Toulubinsk the same quantity in every 190 tons,—while in the mines of Marynisk no less a quantity than 213 tons of refuse has to be removed by washing to obtain a pound troy of the precious gold.

Other metals—as, iron, platinum, palladium, and silver—are often associated with gold; and we have some examples of an auriferous sulphuret of copper and iron. Gold is, however, usually found in a state of comparative purity. The gold mines worked on the quartz lode, or through the rocks in which it has been disseminated, are rarely profitable. The mines of Gongo Soco, in Brazil, and some others in that country and in Mexico, have been extensively worked on the vein or lode,—but they have failed to be profitable speculations. The value of gold is so great, that the report of a mine of this material speedily creates a mania for gold-mining; but it should never be forgotten, that, from the days when the Scythians worked the mines of Northern Asia to the present time, a gold-seeking population has ever been a degraded one,—and that the discovery of gold has almost always been the least profitable of any description of mining in which human industry has been exerted. These remarks are made only as cautions to the over-sanguine, and as warnings to those whose duty it is to establish the guarantees for civilization on the field of the new discovery, that it may yield the largest amount of the good, and the least amount of the evils, incident to discoveries of its kind.

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## THE GOLD PRODUCT OF CALIFORNIA.

### EFFECT OF A LARGE SUPPLY UPON THE EXCHANGES.—INCREASED TRADE WITH EUROPE.—ESTIMATED RESULTS TO THE UNITED STATES.

From the London Economist.

THE condition of the United States, in relation to the export of bullion, is now altogether different from that in which it stood prior to the discovery of California. Up to that time, the precious metals were not produced to such an extent anywhere as fairly to be included in the products of the country. The precious metals were, therefore, only imported for the ordinary uses for which they are required in every country. An adverse exchange and a drain of bullion, therefore, proved that a balance was due to other countries above what the current produce of the United States provided for. A temporary derangement in the monetary

affairs of the Union, and all the consequent results of discredit, followed as a necessary consequence. Now, the case is entirely different, nor need the same disastrous consequences, which have hitherto attended a high rate of exchange for a considerable period, and a drain of bullion, be expected to follow. Gold, like cotton and tobacco, has become one of the natural productions of the United States, and, like cotton and tobacco, is the natural representative of a large portion of the imports from other countries. The demand for goods and produce of every description for the consumption of California, is chiefly supplied from the Eastern and Northern States. To supply this demand, the imports are considerably increased, as has been the case in the last two years. As gold is the only produce with which California can pay the other States of the Union for the goods which they supply, so it is likely to be employed to pay foreign countries for the imports which are received from them. In short, gold has become as much a product of the United States, of which there is always a surplus to export in exchange for the extra quantity of foreign goods imported, as cotton, corn, or tobacco, or as the precious metals have long been from Mexico. And therefore, when it is mentioned in some of the latest American papers as a most alarming fact, that specie to an amount of no less than fifty millions of dollars has been exported during the last eighteen months, it is in reality the same in effect as if it were said that the same amount of cotton or wheat had been exported.

It is only saying, that of the gold which has been produced in California and sent to the other States during that period, amounting in value to upwards of £ 15,000,000, the value of £ 10,000,000 has been exported.

But then it is necessary to consider the effect which that export has upon the rate of exchange, in order to divest that symptom of the terror which naturally, from past experience, attaches to it. The large imports of gold from California far exceed the ordinary demand of the United States; the value of that metal necessarily sinks until it reaches the rate at which it can be exported; and consequently the exchange rises to that rate — namely, any figure above 110½ — at which gold can be imported into this country without loss. So long, therefore, as there is a surplus of gold to be exported, the exchange must continue at such a rate as will admit of that operation.

For these reasons, we see no ground for the apprehensions so generally expressed at the high rate of exchange at New York, and the extensive shipments of bullion which have latterly taken place, and which, it appears, are likely to be resumed. On the contrary, they only indicate the increased trade with Europe which has been created by the settlement of California, which has not only created a new market for our goods, but has also furnished a new product, so far as the United States are concerned, for the payment of their increased imports. So far from entertaining any apprehension on account of the export of bullion from the United States, as far as the trade of the coming year is concerned, we regard it rather as a reason why that trade should continue to increase as it has done of late years, in order to supply the new wants to which this new production of the United States is every day giving rise.

## ASSAYS OF GOLD AT THE MINT.

LETTERS FROM THE TREASURER OF THE MINT OF THE UNITED STATES IN  
REFERENCE TO THE METHOD OF ASSAYING GOLD FOR DIFFERENT  
PARTIES.TREASURER'S OFFICE, UNITED STATES MINT,  
*Philadelphia, Nov. 20, 1851.*

MESSRS. WINSLOW, LANIER, &amp; Co.:—

GENTLEMEN,—I have to acknowledge your letter of yesterday, in which you transmit for my perusal an extract from a letter of your correspondent at San Francisco, in the following words:—

"There is great complaint, with many here, of their returns from the Mint. They believe the assays are incorrect; and the remark is very common, that they mix several parcels together, good, bad, and indifferent, and *average the proceeds*. Can you inform me if this is so?"

You mention that you have referred to me this extract, in order that, "by official authority, you may be able to place this matter in its proper light before the bullion-dealers of that city." I therefore inclose, for your satisfaction, a copy of a letter in relation to this very subject, which I addressed on the 9th of September, ultimo, to a respectable house in your city, and which was published in the papers there and here. To that letter, and to the emphatic contradictions which it contains, I have nothing further to add, except to express my indignation at the facility with which such an absurd and base rumor has gained currency. The officers of the Mint, conscious of a sincere and earnest endeavor faithfully to execute the duties devolved upon them, are generally indifferent to the many erroneous statements which have come before the public relative to the institution, leaving their correction to time, and to the justice of the community; but the allegation, to which my notice is now for the second time called, is so base, that we are all alike outraged that it should have obtained credence. Such a fraudulent practice as it indicates would not merely involve the certain forfeiture of place by an officer engaged in it, but also a deep and deserved personal disgrace.

Very respectfully, your obedient servant,  
E. C. DALE, *Treasurer*

*Letter referred to in the foregoing.*MINT OF THE UNITED STATES,  
*Philadelphia, Sept. 9, 1851.*

GENTLEMEN,—I have to thank you for your letter of yesterday, in which you inform me that it has been intimated to you, by different parties, that, when deposits of gold-dust are left at the Mint, it is our "custom to melt in *one lot* a large number of packages that have been received from various individuals, and then divide it up *pro rata*, making the memorandums accordingly." You add, very properly, that this, "if true, must operate very injuriously to the interests of those whose lots of gold have been selected," and request to be informed of our practice in such cases.

In reply I have to state, that, when we receive deposits, each parcel (of which a separate assay and valuation are required) is set apart by itself, and is distinctly numbered; it is then separately melted in a clean pot, passed into moulds, and the bar or bars thus produced are again numbered. These bars are weighed in the Treasurer's office, and the result recorded. From various parts of the bars, slips are taken, numbered carefully, and assayed; the result being reported to the Treasurer. From the Assayer's report, and the weight of the bullion after melting, the value of the bullion is ascertained.

From this explanation you will perceive that the summary, and, I may add, dishonest and illegal practice alleged against us, has no existence. Each deposit stands on its own merits, and the poorness or richness of the return depends entirely upon the poorness or richness of the deposit itself.

The disappointment which depositors sometimes meet in the return given for their bullion, and to which your letter adverts, is not surprising, when you consider how much the value of an article so precious is affected by an excess, beyond the average, of dirt and other foreign matter, or by a slight inferiority in quality, which can only be detected by an accurate assay.

Very respectfully yours,

E. C. DALE, *Treasurer.*

## OPERATIONS OF THE MINT.

*Extract from the Annual Report of the Secretary of the Treasury to Congress, December, 1851.*

### I. OPERATIONS OF THE MINT. — II. PROPOSAL TO MAKE MINT CERTIFICATES RECEIVABLE FOR DUTIES. — III. COMPARATIVE VALUES OF GOLD AND SILVER. — IV. NEW SILVER COINS SUGGESTED. — V. NEW BRANCHES OF THE MINT RECOMMENDED.

THE operations of the Mint during the past year have been conducted with efficiency and with highly satisfactory results. Under the present system, the depositors promptly receive the value of their bullion, so soon as it is assayed, and though the deposits are made in large masses, at short intervals, on the arrival of the California steamers, yet the assays are made and the payments commenced usually within forty-eight hours, and the whole generally completed within an average of five or six days after those heavy amounts of bullion, frequently by two or three hundred different depositors, are received at the Mint, and the whole duty is performed without any charge to the depositors except a mere fractional percentage for the actual cost of separating the bullion. It is believed that equal facilities are not presented to individuals by the mints of any other nation, as are now given by the Mint of the United States. The realization of the value of these large quantities of bullion, by the owners of it, without loss, within a few days after it arrives in the United States, is accomplished by means of the heavy bullion fund, which can at present be spared, without inconvenience, from the excess of means in the Treasury. It may, however, not always be so convenient to keep so large an amount reserved for this purpose from the public funds, and then, if it were otherwise, the amount of this fund applied to the purchase and extinguishment of so much of the national debt would save nearly \$400,000 annually in interest now paid by the Treasury.

It is believed this saving could be effected and all the advantages at present enjoyed by the depositors of gold or other bullion still retained, if, instead of paying the Mint certificates in cash, as is now done, Congress would make them receivable for all dues to the government under suitable restrictions as to the time and place of their receipt. I can see no reasonable objection to such use of these certificates, as they are the evidences of so much bullion already in the actual possession of the government, and for which the coin itself would be forthcoming, generally in a few days, and always in a few weeks. In connection with the

subject of the Mint, I deem it my duty to call the attention of Congress to the present standard value of gold and silver, as established by existing laws. The relation of gold to silver in the legal coinage of the United States is as 1 to 15.988, in Great Britain as 1 to 14.288, and in France as 1 to 15.499. Thus it will be seen that one ounce in pure gold will, in the United States, be equal to that derived from the coinage of 15.988 ounces of pure silver; in Great Britain it will be equal to that derived from only 14.288 ounces pure silver, and in France to 15.499 ounces. So soon, therefore, as the state of our foreign commerce, as is now the case, requires an exportation of specie, it is obvious that our silver coin must be exported while it can be procured, till the demand for exportation is supplied. From the operation of this law of commerce arises the present scarcity of our silver currency. At this time, though our silver coin commands a premium in exchange for gold, it is notwithstanding still found more advantageous for shipment abroad than gold. In consequence of the premium on silver, though the relative legal value between it and the latter is as 1 to 15.988, the real intrinsic market value is only about 1 to 15.675. A debtor then, who offers silver in payment, must give it at the rate of 15.988 ounces in coin, by which he loses .313 of an ounce; for with 15.675 ounces he could purchase one ounce of gold, which latter would be a legal tender for the same debt. It is to be borne in mind, however, that though the relative value of coin in Great Britain is as 1 to 14.288, that is not the relative bullion value of the two metals, which is about 1 to 15.716. The silver coin of that country being about ten per cent. less in value than silver bullion of the same weight; that is to say, the silver coin of that kingdom will go ten per cent. further in paying debts than an equal weight of pure silver bullion at the standard value. A difference so great in the value of the two species of coin has not of course been the result of either miscalculation or mistake, but was brought about by design, and with the same views which it is believed will render it necessary for us to adopt a similar plan in order to retain and maintain a silver currency. The obvious policy of this system was to secure the gold and silver coinage of Great Britain against the fluctuations arising from the relative value of gold and silver bullion there. In Great Britain 14.288 ounces of silver coin is equal in payment to 15.988 ounces in the United States, and 15.499 in France.

It is very clear, then, that there is no inducement to export silver coin to either country from Great Britain. Though the British government manufactures one hundred shillings in coin from bullion intrinsically worth only ninety shillings, it does not permit individuals to bring ninety shillings in bullion to the mint and receive in exchange one hundred shillings in coin, but, on the contrary, the community is obliged to pay the par value for all the silver coin it requires. It must give five pounds in pure gold or silver for one hundred shillings in coin. Coinage being a monopoly by the government, the latter can impose such terms as it deems necessary and advisable, and the public within certain limits will pay the government's own price for the benefit of the mint stamp. In fixing, therefore, the proper relative value which should be established

between our gold and silver coins, it should not be done with regard to the value of our coins in reference to foreign coins, but as to their intrinsic value as bullion in foreign countries. The relative value of our gold and silver coins is, as already stated, as 1 to 15.988; and the bullion value of our silver coin in England is 15.716, being a difference of .272, or nearly two per cent. It follows then, as a matter of course, that, on all occasions where the course of our foreign trade requires heavy shipments abroad, our silver coin will be first sought after for that purpose, even at a premium; and consequently will disappear from circulation, as it has already done to a very great extent. There seems to be but one immediate and direct remedy for this evil, and that is the one which has already been adopted in Great Britain, of changing the relative value between gold and silver coin, by reducing the intrinsic value of the latter. The opinion of the officers of the Mint (in which judicious persons, whose opinions are entitled to great weight, concur) is, that this change could be advantageously made by making our dollar weigh three hundred and eighty-four grains and the smaller coins in proportion; so that eight hundred ounces of such coin would be worth by tale exactly one thousand dollars. The Director of the Mint, in a communication on the subject, says: "If such a scale of weight were adopted, the relation of silver in such pieces to gold would be 14.884 to 1; and if the present true relation or bullion value is about 15.675 to 1, the new proposed silver coin would be overvalued by law about five per cent., a very small advance, and far less than in British silver, or in the worn Spanish coin which now monopolizes our circulation." In the adjustment of this subject it will be necessary to consider the depreciation in the value of gold which may have taken place already, or shall hereafter occur, in consequence of the immense additional supplies which have been, and will no doubt continue to be, thrown into circulation from California, Australia, and other countries. This consideration might justify a much greater present overvaluation of silver coin, as the future depreciation of gold will probably soon overcome the limit of the present proposed advance. If this plan is adopted by Congress, it of course will involve the necessity of making silver coin a legal tender only for debts of small amount, say not exceeding ten dollars, which is about the same limit (forty shillings) which has been established in Great Britain. The subject of a change in the coinage of the country is one of very great importance, and involves consequences which require the most serious consideration and deliberate action. That the present relative value of our gold and silver coin requires some change, there can be little doubt, and I have therefore deemed it my duty to bring the subject to the notice of Congress.

The great increase in the amount of bullion which now comes to the United States for coinage, compared with former times, seems to require the establishment of branches to the Mint at those points where the largest amount of bullion and foreign coin are received. Any transportation of those articles beyond the places where they are produced or received from abroad is attended with delay, risk, and expense, which should be avoided if possible without too great expense to the government.

The State of California is now producing gold-dust certainly equal in amount to seventy-five millions of dollars, and probably equal to one hundred millions of dollars a year. The information in possession of this Department warrants the opinion, that this product will not be diminished in amount for many years to come.

The distance from San Francisco, by way of the Isthmus of Panama and New York, to the Mint at Philadelphia, is about 6,250 miles. The precious metals there found have, therefore, to be transported that distance and back, at great risk and expense, before the owner can receive its equivalent in the legal coin of the United States. Such a burdensome tax upon the interests of California should be removed by the establishment of a branch mint at the most eligible point in that State.

Nearly all the importations of specie and bullion are concentrated at the port of New York; two thirds of all the customs duties collected in the country are there paid in specie. Sound policy demands that at that great commercial and financial centre a branch mint should be established, which should be the custodian of the large amount of public moneys there collected, and which will enable foreign coin and bullion to be converted most speedily into our own currency, without the risk, delay, and expense of transportation to any other point.

It is believed that the establishment of such an institution at that point would not charge much additional annual expense upon the Treasury. The Treasurer thereof would supersede the office of Assistant-Treasurer. The branch mints at Dahlonga (Georgia) and Charlotte (North Carolina) may be converted into assay-offices, whereby several superfluous officers might be dispensed with. The deposits of bullion at those establishments have been regularly declining, without any decrease in the annual expenses. The transportation from thence of bars and ingots, the values of which would be attested by government assayers, would be easily effected at little risk or expense.

For these and other reasons, heretofore expressed by my predecessors, I earnestly recommend the immediate establishment of branch mints at New York and San Francisco, and the discontinuance of those in North Carolina and Georgia as mints for coinage, retaining them as assay-offices.

## D I G E S T

### OF THE

## DECISIONS OF THE SUPREME COURT OF NEW HAMPSHIRE.

### PART II.

### BILLS OF EXCHANGE. — PLEADINGS AND EVIDENCE. — DAMAGES.

*(Continued from page 656, February No.)*

15. *Pleadings and Evidence.*

1. The indorser of a note of hand is a competent witness to prove the note paid before indorsement. *Bryant v. Ritterbush*, 2 N. H. 212.

2. Where one of the defendants, in an action on a promissory note against the two, has been defaulted, he is not a competent witness for the other. *Pillsbury v. Cammett*, 2 N. H. 283; commented on in *Blake v. Ladd*, 10 N. H. 190.

3. Parol evidence is admissible to prove the contents of a written notice of non-payment delivered to the indorser. *Leavitt v. Simes*, 3 N. H. 14.

4. One of the makers of a promissory note, being released by the other from all claims of contribution, is a competent witness for the defendant in an action upon it. *Ames v. Withington*, 3 N. H. 115; *Carleton v. Witcher*, 5 N. H. 196.

5. When a note of hand has been transferred by an indorsement in blank, parol evidence is not admissible to prove that, at the time it was so transferred, the indorser agreed to be liable at all events, without demand on the maker and notice of non-payment. *Barry v. Morse*, 3 N. H. 132.

6. In an action upon a note, absolute in its terms, evidence may be admitted to show that it was given for specific articles, warranted, by showing that there was an agreement, at the time the note was made, to deduct from the price if the articles were not as good as represented. *Shepherd v. Temple*, 3 N. H. 455.

7. The words, "It is a just debt, but I do not think my father intended I should pay it," were held proper evidence to go to a jury to show a new promise to pay a note barred by the statute of limitations. *Buswell v. Roby*, 3 N. H. 467.

8. In an action of assumpsit, brought by an administrator, the defendant pleaded the statute of limitations, to which the plaintiff replied, that the defendant promised to the intestate to pay within six years; *Held*, that evidence of a promise to the administrator was admissible to maintain the replication. *Ibid.*

9. Where the statute of limitations is pleaded to an action brought by an executor, it will be sufficient for him to reply generally, that the testator had cause of action at the time of his decease. *Cook v. Rice*, 3 N. H. 60.

10. When a note is made void by a material alteration, without the knowledge or consent of the maker, the promisee is not at liberty to prove the contract by other evidence. *Martendale v. Follet*, 1 N. H. 95.

11. Persons, whose names are alleged to have been forged to a bank-bill, are now competent witnesses to prove that fact, though the rule was once otherwise; but it is not necessary to call either them or those who have seen them write, other persons being competent to prove the fact, who have before seen genuine bills of the same bank, and are skilful in detecting counterfeit money. *Furber v. Hilliard*, 2 N. H. 480.

12. Where the name of the payee must be regarded as fictitious, a recovery can be had on the money counts by the actual creditor, where



money passed between the parties to the suit ; but where it did not pass, one of the defendants being a surety merely, the count must be made alleging the note payable to bearer. *Foster v. Shattuck*, 2 N. H. 446.

13. Although the payee of a note was informed that the maker was a transient person at the time of receiving it, yet he must prove due diligence to find the maker, and to make a demand upon him, in order to support an action against an indorsee. *Otis v. Hussey*, 3 N. H. 346.

14. Where two sureties are partners, and raise the money to pay the debt of the principal on their joint credit, their proper remedy for money so paid is by a joint action. *Pearson v. Parker*, 3 N. H. 366.

15. In a suit upon a promissory note between the maker and an indorsee, a plea of usury will be rejected, if the indorsee will make oath that the note was *bonâ fide* transferred to him before due, for good consideration, without notice of usury. *Forbes v. Marsh*, 3 N. H. 119; *Olcott v. Alden*, 6 N. H. 516; *Young v. Berkley*, 2 N. H. 410; *Williams v. Little*, 11 N. H. 66.

16. A contract for the delivery of specific articles cannot be declared on as a bill ; but if, in the plaintiff's declaration, the promise of the defendant is alleged to be "by his note," that may be rejected as surplusage. *Drown v. Smith*, 3 N. H. 299.

17. Wherever it is material, a defendant may show by extrinsic evidence that he made the note as surety only, and that the plaintiff knew it. *Grafton Bank v. Kent*, 4 N. H. 221.

18. Where a note, made by A, was passed to B in payment of another note, and after some time was paid, taken up, and delivered to C ; *Held*, that, in an action brought by C against A, the declarations of the original holder, that it was an accommodation note, were not admissible in evidence for the defendant. *Ross v. Knight*, 4 N. H. 236.

19. In an action upon a promissory note, matter of defence arising after the action is brought cannot be given in evidence upon the general issue as an answer to the action ; but it may, perhaps, be given to reduce the damages. *Pemigwasset Bank v. Brackett*, 4 N. H. 557.

20. In a suit on a note in the name of an indorsee against the maker, the latter may conclude a plea of usury with an offer to verify it by his oath, and the indorsee may reply, that there has been no illegal interest secured or taken, offering to verify it by the oath of the payee. The verification must take place while the payee is alive, which fact must be averred when the suit is brought in the name of the indorsee. *Plumer v. Drake*, 5 N. H. 151; *Ibid.*, 5 N. H. 556.

21. If the plaintiff brings an action upon a usurious note, where three times the illegal interest exceeds the amount due, usury may be pleaded in bar by the defendant. *Gibson v. Stearns*, 3 N. H. 185; *Kimball v. Abbott*, 5 N. H. 394; *Tappan v. Prescott*, 9 N. H. 531.

22. In a suit upon a note transferred to a surety for his indemnity, *held*, that a co-surety was not a competent witness. *Low v. Smart*, 5 N. H. 353.

23. Where the declaration names two notes, a tender of the whole amount of one of them, with costs, to the plaintiff's attorney, is a legal tender *pro tanto* ; but where the demand is on an entire claim, a tender

of any thing less than the whole claim is not a good one, and the plea of such tender is not sufficient to bar further proceedings under the statute. *Carleton v. Whitcher*, 5 N. H. 289.

24. H. applied to the bank for delay of payment upon a note held against him, and, his proposition in writing having been submitted to the directors, he was informed by the cashier that the indulgence was granted; *Held*, that the cashier was the agent of the bank, and that his declarations to H. could not be received in evidence of what the terms of the contract were. *Grafton Bank v. Woodward*, 5 N. H. 301.

25. The plaintiff may declare upon a note payable on a contingency, in the same manner as upon notes strictly negotiable. *Odiorne v. Odiorne*, 5 N. H. 315. He may declare in the same manner upon one payable out of a particular fund. *Cong. Soc. of Troy v. Goddard*, 7 N. H. 430.

26. In an action upon a note by the indorsee against the maker, the defendant pleaded usury, alleged that the indorsee was alive, and offered to verify the same on oath; *Held*, that the plea was sufficient, that it would be a good replication to it that the payee was dead, and that the replication may be verified by the oath of the plaintiff. *Plumer v. Drake*, 5 N. H. 323, and 556 S. C.; *Kimball v. Abbott*, 5 N. H. 394. See also *Little v. White*, 8 N. H. 276.

27. Where, in an action on a note brought by the indorsee against the maker, the latter pleaded usurious consideration, and offered to verify his plea on oath; *Held*, that the plaintiff's replication of the indorser's being *non compos mentis*, which he offered to verify, was sufficient. *Plumer v. Drake*, 5 N. H. 556.

28. A negotiable note is *primâ facie* evidence of money had and received by the maker from the payee, and of his keeping the money to pay the note to any legal holder. *Tenney v. Sanborn*, 5 N. H. 557; *Burnham v. Wood*, 8 N. H. 334.

29. A note of the following import, "I promise to pay \$ 200 in two years, with interest, out of any property I may possess, my body being at all times exempt from arrest," is proper evidence to support, either an action upon the note itself, or a count for money had and received. *Chickering v. Greenleaf*, 6 N. H. 51.

30. In an action upon a note against an executor or administrator, even where the general issue only is pleaded, the plaintiff must prove, in order to entitle himself to the verdict, that the demand was exhibited to the defendant previous to the commencement of the action. *Mathes v. Jackson*, 6 N. H. 105.

31. Where a person gives his note to a corporate body, he is estopped, in an action on the note, from denying the existence of the corporation. *Cong. Soc. Troy v. Perry*, 6 N. H. 164.

32. In an action against a surety, the admissions and declarations of the principal, deceased, made against his interests, at a time when he could have had no motive to misrepresent, and in relation to facts with which he must have been well acquainted, were held to be evidence against the surety. *Hinkley v. Davis*, 6 N. H. 210.

33. Where, in an action upon a note brought in the name of an in-  
VOL. I. 61

dorsee, the defendant pleads usury, and tenders his oath, it is no answer to the plea, that the payee is out of the State, in parts unknown to the plaintiff, so that he cannot be produced to make oath to a replication. *Olcott v. Alden*, 6 N. H. 516.

34. In pleas of usury, where the defendant offers to verify by his oath, it is not necessary to set out the corrupt agreement particularly, but he must allege that the excess was reserved, or received under a corrupt agreement, and that the money sued for is connected with the unlawful interest. He must also state the amount reserved or taken, and the sum lawfully due under the contract. *Ibid.*; *Little v. White*, 8 N. H. 276; *Tappan v. Prescott*, 9 N. H. 531. But it is not sufficient to make oath merely that the defendant's allegations are not true. *Copeland v. Jones*, 3 N. H. 116.

35. When the attesting witness of a note cannot be produced, witnesses must be called to prove his handwriting, and it is not sufficient to prove the handwriting of the principal without proving also that of the witness. *Farnsworth v. Briggs*, 6 N. H. 561.

36. Parol evidence is not admissible, in an action upon a note made by one of the selectmen of a town in his name, "for the selectmen," to show that another of the selectmen authorized the one who so signed to settle the account and give a note. *Andover v. Grafton*, 7 N. H. 298.

37. Where a suit is brought in the name of the payee of a negotiable note, who disclaims any interest in the note, or any knowledge of the pendency of the suit; and it appears that the note was paid and taken by a third person, it will be considered as evidence of payment on the part of the defendant, unless such third person shows that he came by it under such circumstances that he is entitled to be treated as an assignee. *Phelps v. Mahurin*, 6 N. H. 435.

38. In an action on a note, the mere oral assertion of an individual that he has done a particular act, cannot be received as evidence in his favor, such declaration not being in collision with his interest at the time. *Gordon v. Shurtliff*, 8 N. H. 260.

39. An administrator, who has given his promissory note for a sum due from his intestate, including certain unlawful interest, which the intestate had agreed to pay, cannot, in a suit upon the note, sustain a plea of usury on account of the unlawful interest so agreed to be paid by the intestate, and included in it. *Little v. White*, 8 N. H. 276. This case is different from *Steele v. Franklin*, 5 N. H. 376.

40. An indorsed note may be offered as evidence in support of a count for money had and received, in an action by the indorsee against the maker. *Burnham v. Wood*, 8 N. H. 334.

41. Where the maker of a note set up in defence, that the indorsee was bound to show that the indorsement was made before the commencement of a suit, to entitle the notes to be received as evidence; *Held*, that, in an action by the indorsee, the production of a note declared upon in the ordinary form will, *prima facie*, sustain the general allegation of an indorsement, at or near the time of the making of the note. *Ibid.*

42. It makes no difference, as to the rule of evidence, whether the note itself is declared on, or is merely offered as evidence under the

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general count. In both cases the same intendment of law arises, that the note was indorsed at or near the time of its date, unless the contrary be shown. *Ibid.*

43. The indorser of an accommodation note, made for his benefit, after having a release from the maker, has no interest in the event of a suit upon the note, and is a competent witness to prove that it has been paid by the maker to the indorsee. *Greenough v. West*, 8 N. H. 400.

44. In an action on a negotiable note, a party to it may in many cases be a witness to defeat it, if not a party to the record. *Marston v. Brackett*, 9 N. H. 348; *Carleton v. Witcher*, 5 N. H. 196; *Odiorne v. Howard*, 10 N. H. 343.

45. *Aliter* in a suit by an indorsee for value, without notice. *Marston v. Brackett*, 9 N. H. 348.

46. An executor who has delivered a note, payable to the testator, to B., supposing it included in a legacy to B., is a competent witness in an action on the note. *Lock v. Noyes*, 9 N. H. 430.

47. An indorser of a note, released from all liability, is a competent witness in an action on the note. *Ibid.*

48. In the pleadings under the statute of usury, it is customary to give the plea the shape of an answer to the demand on which the declaration is founded; and in such case the penalty is demanded upon the security alleged to be usurious, and cannot extend beyond the amount of it. If the penalty is less than the sum due, the course is to pray that it may be deducted therefrom. *Tappan v. Prescott*, 9 N. H. 531.

49. Where several defendants, all answering in one action, wish to put in the plea of usury, they must all join. If one is defaulted, another may plead the usury, and the defence avail both. *Ibid.*

50. In pleading usury, where several sums above legal interest have been taken, the whole amount of the usury should be stated in one plea. Also, the sum taken as usury should be specifically named. *Ibid.*

51. The agreement of an indorser, when informed of the dishonor of a note, to give collateral security for the same, is not *prima facie* evidence of demand and notice, nor a waiver of his right to require proof of these facts to support an action. *Carter v. Burley*, 9 N. H. 558.

52. Where a note was given to the President, Directors, and Company of the Newport, &c., instead of being given to the company itself by its own name only, *held*, that it might be shown, by extraneous testimony, whether the company was intended to be designated as the promisee of the note. *Newport Mechanics' Man. Co. v. Starbird*, 10 N. H. 123.

53. Where the plaintiff declares upon a promissory note, which was in fact given for certain goods sold by him to the defendant, *held*, that he may be permitted to amend his declaration, by filing a count for goods and merchandise sold and delivered, by paying the defendant all his cost after the first term, up to the time of the suit, and taxing none during the same period if he should ultimately recover. *Burnham v. Spooner*, 10 N. H. 165.

54. Where, in a suit on an account, a note was pleaded in set-off, and the plaintiff introduced a paper, having on it the date of said note, and some figures in the handwriting of the defendant, as tending to show

that said note was founded on a usurious consideration ; *Held*, that said paper was admissible, so far as it contained entries in the handwriting of the defendant, but not as regarded those of the plaintiff, unless they were shown to have been made there at the time of the settlement. *Harris v. Burley*, 10 N. H. 171.

55. The plaintiff's books were also *held* inadmissible to substantiate items and figures on said paper, unless it was shown that the entries were upon said books at the time of the settlement. *Ibid*.

56. Evidence that the note had been previously sued in the name of another person, and, on plea of usury being filed, the plaintiff had become nonsuit, was *held* inadmissible as a confession of usury in this suit. *Ibid*.

57. A paper offered in evidence, sworn to as a substantial copy of the plea of usury, was *held* inadmissible. *Ibid*.

58. Since the statute of July 4, 1834, by which judgment may be rendered against one or more of several defendants, in an action founded upon a contract, a defendant who is defaulted, and who has no interest in the controversy between the plaintiff and a co-defendant, may be a witness for the latter, in an action upon a note. *Blake v. Ladd*, 10 N. H. 190 ; *Essex Bank v. Rix*, 10 N. H. 201.

59. Since the statute of July 4, 1834, if it appears, in the course of the proceedings in an action *ex contractu* (assumpsit on a note), that any defendant is not liable, such defendant may be discharged, with costs, and the action proceed against the others ; and this whether it appear by plea, or by evidence on trial, or by admission of the plaintiff. *Essex Bank v. Rix*, 10 N. H. 201.

60. An objection to the admissibility of a witness on account of interest in the costs, if not taken at the trial, cannot be urged on a rehearing of the case in which his admissibility is resisted on other grounds. *Ibid*.

61. Whether he can be admitted to sustain any defence which would show, if true, that no judgment ought in justice to be regarded against himself, notwithstanding his default, *quære*. *Ibid*.

62. A deliberate declaration by a party of full age, that he would pay the amount of certain money which had been paid by a surety for him during his infancy, made to an agent of the surety, who was authorized to call on him for that purpose, is sufficient to charge him, notwithstanding there is no evidence that the agent disclosed his agency at the time, nor any express evidence that the party had knowledge of the authority. *Hoit v. Underhill*, 10 N. H. 220.

63. The admissions of a person under guardianship as a spendthrift, respecting contracts or declarations alleged to have been made by him prior to the existence of the guardianship, are competent evidence. *Ibid*.

64. As a general rule, the reception of interest in advance, upon a note, is *prima facie* evidence of a binding contract to delay the time of payment, and no suit can be commenced against the maker during the period for which the interest has thus been paid. *Crosby v. Wyatt*, 10 N. H. 318 ; *Merrimac Co. Bank v. Brown*, 12 N. H. 320.

65. Where, however, a note is, by its terms, made payable on demand, and interest in advance for a certain period is paid at the time of making it, but not indorsed, oral evidence of a contract for delay, made at the time, cannot be received, as it would contradict the written contract. *Crosby v. Wyatt*, 10 N. H. 318.

66. If a note is made payable to a bank, where a regular usage exists to receive payment by instalments, at regular intervals, with the interest on the balance in advance, there is presumptive evidence of the assent of a surety that payment may be delayed, and received by instalments, according to such usage, until the contrary is shown. But this principle cannot be held to apply to any delay beyond such regular usage; and no assent to any other course can be presumed. *Ibid.*

67. If there is any other custom of a bank, to let notes lie, on the payment of interest in advance, there must be other evidence to show the knowledge and assent of the surety, in order to continue his liability; but such assent may be shown by circumstantial evidence. *Ibid.*

68. Where a note is indorsed after it is due, the indorser is a competent witness to show payment of the note before indorsement, or any other legal defence to it. *Odiorne v. Howard*, 10 N. H. 343.

69. The maker of a note is not liable for the costs of an action in favor of the indorsee against the indorser, and is a competent witness in such action, his interest being balanced. *Woodman v. Eastman*, 10 N. H. 359. *Aliter* in an accommodation note. *Ibid.*; *Morse v. Green*, 13 N. H. 32.

70. In a suit between a party to a written agreement and a third person, the latter may show that the actual agreement was different from that reduced to writing, or that it contained other stipulations. The rule, that oral evidence cannot be received to add to or contradict written instruments, does not apply to persons who are not parties, where they come in evidence incidentally. *Woodman v. Eastman*, 10 N. H. 359.

71. The mere evidence, by an agent of a promisor, that a note would have been paid, is not sufficient evidence of tender, or readiness of payment. He must show distinctly that he held at the time and place funds of the promisor, or of his own, or funds subject to his control, by which his ability as well as intention of payment is clearly shown. *Otis v. Barton*, 10 N. H. 433.

72. It is not necessary to prove the dishonor of a promissory note by a protest, even where the maker and indorser reside in different governments. *Smith v. Little*, 10 N. H. 526.

73. Where the articles for which an infant's note was given remain in his custody or control, his detention or conversion of them to his use, after he becomes of age, raises an implied promise of payment, which is competent evidence of a ratification of the contract. *Robbins v. Eaton*, 10 N. H. 561.

74. Where the plaintiff seeks to have a plea of usury rejected, because he is a *bonâ fide* indorsee for a good consideration, before the note was due, without notice of the usury, it is not necessary to set the facts forth in a replication. *Williams v. Little*, 11 N. H. 66.

75. In a suit by the *bonâ fide* indorsee of a note against the surety,

the principal, being released by the surety, is a competent witness for him to prove that the maker, after the execution of the note, and without the knowledge of the surety, at the request of the payee, altered the note by inserting the words "or order" therein. *Haines v. Dennett*, 11 N. H. 180.

76. A promissory note made by the defendant, payable to a third person or order, and indorsed to the plaintiff, may be given in evidence under a count for money had and received. *Edgerton v. Brackett*, 11 N. H. 218.

77. Where the by-laws of a savings bank required ten per cent. of the principal to be paid on all notes every four months, with interest in advance, and the treasurer of the bank received the interest on a note belonging to the bank, from time to time, for four months in advance, according to a regular usage at the time; *Held*, that this was *prima facie* evidence of contracts by the bank to delay the payment for that time, and that the bank could not avoid the effect of this evidence, by alleging that the officers of the bank had no authority to make a contract for delay. *New Hampshire Savings Bank v. Ela*, 11 N. H. 335.

78. The defendant was surety upon a note, which was discounted by a savings bank, and on which interest was paid at divers times, in advance, by the principal, without his assent, after which he was elected a trustee of the bank, and acted as such. The note remained in the bank, and interest was paid in advance upon it as before; but it did not appear by any express evidence that the defendant had knowledge of this, or that he in any way recognized the note as an existing debt against him. *Held*, that he was not precluded from insisting upon the payment of the interest in advance, prior to the time when he became a trustee, as *prima facie* evidence of a contract for delay, which discharged his liability. *Ibid.*

79. Where the note was one of the preferred debts, entered in the schedules annexed to the assignment, by a principal debtor, of his property to trustees, to be sold and the avails applied to the payment of his debts; and the defendant had a claim against the principal, and along with others executed the assignment, there being no particular evidence to show that he signed it on account of the debt to the plaintiffs, on which he was surety, and on which the interest had been paid as aforesaid; *Held*, that he must be presumed to have executed it on account of the debt due to himself, and that his execution of it was not evidence that he admitted himself to be liable on the debt upon which he was surety. *Ibid.*

80. A party in interest is a competent witness to prove the loss or destruction of a note, in order to the introduction of secondary evidence of the contents of the paper. *Woods v. Gassett*, 11 N. H. 442.

81. Such evidence is addressed to the court, and should be introduced by the affidavit of the party. *Ibid.*

82. If a note or other writing, the loss of which is the subject of inquiry, be traced into the possession of a third person, that person, it would seem, if alive, should be called to give some account of the instrument. *Ibid.*

83. The affidavit of a party on a like question should exclude all presumption that the party may have the note or other writing in his own possession, or knows where it is; otherwise, it will be insufficient to prove the loss. *Ibid.*

84. The mere fact of the sale and delivery of a negotiable note by the payee will not furnish even *prima facie* evidence that the note was indorsed by him. *Ibid.*

85. Where an individual intends to contest the authority or competency of a party to affix the signature to a note, he should give notice on the record, at the first term of the court, that the signature is denied; otherwise it will be regarded as admitted to be executed by competent authority. *Williams v. Gilchrist*, 11 N. H. 535.

86. A plea of usury may be amended upon terms, after a demurrer, and a decision that the plea is bad. *Williams v. Little*, 11 N. H. 576.

87. Where the attorney, not being personally acquainted with the defendant, called at his office, and found there a person to whom he presented the note, and showed his authority, and of whom he demanded payment; and the person said that there had been trouble about the note, and he should not pay it; but did not object that the attorney had no authority, and said he was satisfied as to the power of attorney; *Held*, that this was competent evidence to be submitted to a jury to prove that a demand was made upon the defendant. *Gale v. Tappan*, 12 N. H. 145.

88. Under the statute of July 4, 1834, by which one defendant, in an action founded on contract, may be discharged on trial, and judgment rendered against the others; *Held*, that one defendant who is defaulted in an action upon a note cannot be a witness for another defendant who pleads to issue, where the defence is not personal to the latter, or where it may affect the damages against the one defaulted. *Bowman v. Noyes*, 12 N. H. 302; *Blake v. Ladd*, 10 N. H. 190; *Essex Bank v. Rix*, 10 N. H. 201.

89. In an action on a note against two or more, if one defendant be defaulted, and another, under the general issue, set up and maintain a defence which negatives the plaintiff's right to recover against either of the defendants, and shows that he had no cause of action; the plaintiff will not be entitled to judgment against the one who is defaulted, and he cannot, therefore, be a witness for the other. *Bowman v. Noyes*, 12 N. H. 302.

90. Where one defendant sets up several matters of defence, some of which are personal to himself, and others go to show that the plaintiff has no cause of action against any of the defendants, one who is defaulted cannot be a witness to sustain any of the matters of defence. *Ibid.*

91. If a note be made payable to a bank, for the purpose of being discounted there, but is discounted by an individual, with the assent of all the makers, the party receiving it may declare upon it as a note made payable to the bank, giving the bank an indemnity against costs; or he may declare upon it as made payable to himself, by the name of the bank. And it seems that he may also, at his election, declare on it



in his own name, as a note payable to the bearer, regarding the name of the payee as fictitious. If he can obtain a valid indorsement of it by the bank, he may maintain an action as indorsee. *Elliot v. Abbot*, 12 N. H. 549.

92. Where the plaintiff brought an action, declaring upon a negotiable note made payable to a third party, and indorsed to him, *held*, that he might have leave to amend, by filing a count declaring upon the same note as payable to himself. *Ibid*.

93. Where one who was an agent in a particular transaction executed a note for his principal, pledged certain other notes and a mortgage as collateral security, and gave his own promise, at the same time, that the lands were of sufficient value to secure the debt, or if they were not, that he would make it good; and the principal afterwards executed another note, for the same sum, in renewal of the first; *Held*, that the change of the note did not operate to discharge the debt, that the notes and mortgage pledged might be held as security for the payment of the last note, and that the agent was interested, and inadmissible as a witness for the defendant, in an action upon it. *Williams v. Little*, 12 N. H. 29. See also *Elliot v. Sleeper*, 2 N. H. 525; *N. H. Bank v. Willard*, 10 N. H. 210.

94. Where negotiable notes against the defendant were sold and delivered to an individual, but were not indorsed, and suit on the notes was brought in the name of the payee, *held*, that notice of the assignment, by the officer serving the process, made agreeably to instructions on the back of the writ, would be sufficient evidence to the payee of such assignment. *Cameron v. Little*, 13 N. H. 23.

95. If the defendant have authorized another to subscribe his name to a note, the fact that the signature was placed there by an agent need not appear on the note. *Morse v. Green*, 13 N. H. 32.

96. Parol evidence is admissible to prove that the name of a person, who appears to be one of the makers of a note, was not written by him, but by another person by his direction; as such evidence neither limits nor enlarges the terms of the contract. *Ibid*.

97. A person who was indebted to a firm upon its dissolution, at the request of the partners gave his promissory note to one of the partners, in payment of a part of the debt, and another note to the other partner in payment of the residue, the partners having agreed between themselves that the debt should be divided in this manner. In an action on one of the notes against the maker, brought by the payee, it was *held*, that the other partner was a competent witness for the plaintiff. *Ibid*.

98. The declarations of a surety, that he "expects to pay," or "may have to pay the debt," will not operate of themselves as a new promise, but they may be submitted to a jury as evidence having such a tendency, or as an assent to the agreement for delay. *Fowler v. Brooks*, 13 N. H. 240.

99. When a note is attested by a subscribing witness, and such witness resides in another of the United States, and beyond the reach of the process of the court at the time of the trial, evidence of the handwriting of the witness and of the maker of the note may be produced,

and is competent proof of its execution, though the residence of the witness is known at the time. *Dunbar v. Marden*, 13 N. H. 311.

100. The burden is upon the holder to prove that a material alteration in a note was authorized or assented to by the maker. *Humphreys v. Guillow*, 13 N. H. 385.

101. After a material alteration had been made in a note, the maker said to the agent of the payee that it had been altered, and he was not bound to pay it, but would pay it; and he gave collateral security for its payment, and declared to others that he would pay it; *Held*, that this was competent evidence of his assent to the alteration. *Ibid*.

102. The declaration alleged that the defendant and one E., now deceased, being partners, were jointly indebted to the plaintiff on account for goods sold; that the plaintiff received the note of E., and discharged the settled account against the firm; that E. died, and the plaintiff thereupon presented the note of E. to the defendant, as surviving partner, who promised to pay the sum, but had neglected. *Held*, that the gravamen of the action was a neglect by the defendant to perform a verbal promise to pay the debt of E.; that no sufficient consideration was alleged; and that the case as stated was within the statute of frauds. *Greenleaf v. Burbank*, 13 N. H. 454.

103. But, the evidence tending to show that the note of E. might not have been received in discharge of the debt of the partnership, the plaintiff had leave to amend. *Ibid*.

104. To an action on a promissory note given for the balance due upon an account stated, the defendant filed a set-off, containing a charge for \$50 paid on the 5th of August, which he contended should have been, but was not, credited him in the settlement of the account. The plaintiff alleged that the sum had been once credited him in the account which was copied from the ledger, but under the date of August 14th, and that the 14th should be the 5th of August. *Held*, that the plaintiff could not prove by his books, and by his own testimony in explanation of them, that an error in date had been committed in posting this item from the day-book to the ledger. *Little v. Wyatt*, 14 N. H. 23.

105. To affect a party with notice, it is not competent to show that persons residing near him, or in the same village, took a newspaper in which a caution or notice was inserted. *Clark v. Ricker*, 14 N. H. 44.

106. *It seems* that one is not necessarily chargeable with notice of every thing which is inserted in a newspaper, taken by himself. *Ibid*.

107. Nor is it competent evidence of notice to show that the matter was a subject of conversation in his neighborhood, the presence of the party not being also shown, as a distinct fact. *Ibid*.

108. The defendant filed a plea of usury, signed by attorney, setting forth the payment of interest at the rate of seven and a half per cent., offering to verify it by his oath. The plaintiff replied, that the defendant employed him to procure the money, and as a compensation allowed him one and a half per cent. annually, and in pursuance of that contract paid him the money alleged to have been taken as usury; and then averred that there was not, directly or indirectly, or unlawfully, any thing reserved, secured, or taken in and by the note more than after the

rate of six per cent. for the forbearance and giving day of payment of the money lent, other than was set forth in the replication ; and offered to verify the replication by his oath. The defendant rejoined, that he never promised in manner and form, and concluded to the country. Upon a motion to reject the rejoinder, *held*, that all the pleadings were irregular. *Tappan v. Sargent*, 13 N. H. 429.

109. Where the defendant pleads usury under the statute, with a verification by his oath, neither party can, in a subsequent pleading, change the course of the trial by tendering an issue to the jury. *Ibid*.

110. Ordinarily a plea of usury, tendering the oath of the defendant, should be signed by him who is to verify it. But if it tender the oath of one who is a party to the instrument, but not a party to the record, it may be signed by attorney. *Ibid*.

111. If the creditor has taken a less amount of usury than that alleged in the plea, he may state the amount actually received, and aver that he has not taken or secured more than the sum so admitted. If he would avoid the plea entirely he must do so directly, and in the broad language of the statute. *Ibid*.

112. The defendant, who was surety upon a note to the plaintiff, offered the evidence of a witness, that on a certain occasion the plaintiff had released him from his liability. The plaintiff contended that this was improbable, because, at the time of the alleged release, the note was in the hands of a third person, as part payment of a debt, to prove which he offered sundry letters between himself and such person. *Held*, that, as the letters contained no allusion to the note, and threw no light upon the fact of the release, they did not constitute one transaction with it, and were not admissible in evidence as a part of the *res gesta*. *Mahurin v. Bellows*, 14 N. H. 209.

113. The maker of a note, upon its being presented to him for payment, said, that he did not know that he could pay any more than his present debts; that if he could see the plaintiff he might make some arrangement with him by way of settlement; that he guessed the note was outlawed, but that should make no difference,—he was always willing to pay his honest debts; that the note was given for a patent machine for cutting dresses, and his wife had used the machine for that purpose; and that he would call again in the early part of the week and see about the matter. *Held*, that the evidence was not competent to be submitted to the jury to prove a new promise. *Ventris v. Shaw*, 14 N. H. 422.

114. In a replication to a plea of usury, the plaintiff must deny the usury positively, and the replication will be bad for argumentativeness, if it set forth a narrative of facts, and then deny that there was usury other than as above set forth. *Tappan v. Sargent*, 14 N. H. 299.

115. A replication to a plea of usury averred that the plaintiff, not having the money on hand, was induced by the defendant to procure it from a bank, and that, as a compensation for his trouble, the defendant promised to allow him one and a half per cent. on the money annually; that he procured the money and lent it to the defendant, for which the latter gave the note in suit; and that when the lawful interest was paid

on the note, he received the excess aforesaid in pursuance of the defendant's promise, and for no other purpose. The usury other than as above set forth was denied, in the words of the statute. *Held*, that the replication was bad, as all the facts alleged might have existed, and yet the plaintiff might have known that the excess was received as usury; that the statement of facts, if it meant any thing, was intended to qualify the oath; and that the statute appealed to the conscience of the lender, and intended the oath should be taken positively, and without any such qualification as the narrative of facts would import. *Ibid*.

116. The existence of a note, which had been indorsed and transferred to another person to collect for the payee's benefit, would be good evidence to sustain an action of *indebitatus assumpsit* by the payee (or his assignee in bankruptcy), for the recovery of the debt on account of which the note was given. *Howland, Assignee, v. Spencer*, 14 N. H. 580.

See *Banks and Banking*, 1; *Presentment, Demand, and Notice, Waiver of*, 1, 2; *Protest, Defences*, 14.

#### 16. *Damages.*

See *Interest*, 3, 5, 10; *Pleadings and Evidence*, 19.

### III. — INTEREST.

1. Interest on money loaned was not allowed by the common law; but here it now allows any rate of interest not unconscionable. *Houghton v. Page*, 2 N. H. 42.

2. Interest may be recovered on money received for property wrongfully converted. *Chauncey et al. v. Yeaton*, 1 N. H. 151.

3. A note for a certain sum, with "interest annually," is not a contract for any thing more than six per cent. on the principal. But interest should be cast on the annual interest, in the nature of damages for its detention and use, from the time it becomes payable till judgment. *Peirce et al. v. Rowe*, 1 N. H. 179.

4. *Semble*, that compound interest, whenever promised, or justified by the nature of the case, may be recovered. Woodbury, J., *Ibid*. 183.

5. In an action of debt upon a judgment, where part of the principal remains unpaid, interest may be recovered as damages, computed as on a note of hand partly paid. *Hodgdon v. Hodgdon*, 2 N. H. 169.

6. The taking compound interest for granting delay of payment is not illegal. *Dow v. Drew*, 3 N. H. 40.

7. Where compound interest has been voluntarily paid upon money lent, an action does not lie to recover the excess over simple interest. *Ibid*.

8. Administrators and executors must pay interest on all money received by them, if they do not pay it over in a reasonable time, and a neglect or refusal to disclose all the circumstances affords a sufficient presumption upon which to found a charge of interest, and they may be examined under oath concerning the use made of the money. *Griswold v. Chandler*, 5 N. H. 493.

9. A collector is not liable for interest, unless he have made use of the money collected, or have unreasonably neglected to pay it over. *Hudson v. Tenney*, 6 N. H. 456.

10. Where the penalty of a bond has become a debt which the obligor unjustly detains, the obligee may recover interest thereon during the time it has been detained. *Judge of Probate v. Heydock*, 8 N. H. 491.

11. Interest is allowed upon a judgment duly rendered by a justice of the peace of another State, from the time of its rendition, when recovery is had upon it in this State. *Mahurin v. Bickford*, 6 N. H. 567.

12. Interest may be received in advance, with a reservation, by agreement, of a right to sue within the time. *Crosby v. Wyatt*, 10 N. H. 318.

13. A trustee is chargeable for all interest he receives, or secures, on sales or loans. *Brown v. Silsby*, 10 N. H. 521.

14. Interest may be allowed in equity on all sums due and payable, or from the time when a rest should be made in the accounts. *Hollister v. Barkley*, 11 N. H. 501.

15. In assumpsit for goods sold and delivered, the jury should allow interest, by way of damages for the detention of the debt, upon the amount they find due, from the time of a demand of payment, if one be proved; or, if there be no demand, from the commencement of the suit. *McIlvaine v. Wilkins*, 12 N. H. 474.

See *Pleadings and Evidence*, 64, 66, 78.

#### IV. — USURY.

1. In General.
2. Evidence.
3. Remedy.

##### 1. In General.

1. An agreement to pay more than six per cent. for past forbearance is illegal and usurious. *Willie v. Green*, 2 N. H. 333; *Gibson v. Stearns*, 3 N. H. 185.

2. Where, in calculating illegal interest upon a note, the amount was stated too large by mistake, *held*, that whatever was included by the mistake was not usurious. *Gibson v. Stearns*, 3 N. H. 185.

##### 2. Evidence.

1. In a suit upon a note, one of the makers is not a competent witness to prove that it was given upon a usurious consideration. *Houghton v. Page*, 1 N. H. 60. Overruled in *Haines v. Dennett*, 11 N. H. 180. *Pleadings and Evidence*, 20, 54, 56, 57.

##### 3. Remedy.

1. The mere substitution of another security for the one tainted with usury, between the parties to the corrupt agreement, does not take the case out of the statute against usury. *Gibson v. Stearns*, 3 N. H. 185.

2. The amount forfeited upon a usurious note is to be deducted from "the sum lawfully due," by or upon the contract or other assurance tainted with the usury, including also legal interest on the money. *Gibson v. Stearns*, 3 N. H. 185; *Kimball v. Abbott*, 5 N. H. 394.

3. Where a note given upon a usurious contract has been transferred for a good consideration, without notice of usury, and has been taken up, a new note being given for the amount, in an action upon the new note no deduction can be claimed on account of the usury in the first note. *Steele v. Franklin*, 5 N. H. 376.

4. *Aliter*, where the new note is given to a party to the usury. *Ibid.*

5. A loaned B \$ 500 upon a usurious contract, and after several years the interest was cast at 12 per cent. and added to the principal. \$ 200 in cash were paid, and the residue in negotiable notes of a third person. *Held*, that the illegal interest might be recovered by B in an action for money had and received. *Willie v. Green*, 2 N. H. 333.

6. Where a note was made in Massachusetts, by citizens of that State, to secure a sum of money composed entirely of interest over the rate of six per cent., *held*, that it was void by a statute of that State against usury, and could not be collected here. *Houghton v. Page*, 2 N. H. 42.

7. A deduction of three times the amount of usury taken can be made only from the money which formed the subject-matter of the corrupt agreement, or the interest on that money, and not from any other debt; and it must appear from the plea that the deduction prayed for may be thus made. *Williams v. Little*, 11 N. H. 66.

See *Pleadings and Evidence*, 15, 21, 26, 27, 33, 34, 39, 48, 49, 50, 74, 86, 108, 109, 110, 111, 114, 115.

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**BANK-PAPER SUBSTANTIALLY LEGAL TENDER.** — It has sometimes been contended, in vindication of our present system, that bank-notes are essentially private paper; that the accepting of them in payment is optional; and that, as they may be rejected by every one who either suspects or dislikes them, there is no room or ground for interfering with their issue! But every body knows that, whatever notes may be in law, they are in most parts of the country practically, and in fact, legal tender. The bulk of the people are totally without power to refuse them. The currency of many extensive districts consists in great part of country notes, and such small farmers or tradesmen as should decline taking them would be exposed to the greatest inconveniences. Every one makes use of, or is a dealer in, money. It is not employed by men of business only, but by persons living on fixed incomes, women, laborers, minors, and in short, by every class of individuals, very many of whom are necessarily, from their situation in life, quite unable to form any estimate of the solidity of the different banks whose paper is in circulation. Such parties are uniformly severe sufferers by the failure of banks. The paper that comes into their hands is a part of the currency or money of the country, and it is quite as much a part of the duty of government to take measures that this paper shall be truly and substantially what it professes to be, as that it should take measures to prevent the issue of spurious coins, or the use of false or deficient weights and measures. — *McCulloch on Banking and Paper Money*.

VOL. I.

62

## RARE AND USEFUL WORKS ON BANKING.

From the London Bankers' Magazine.

The *Banking Institute* having for one of its objects "the republication of rare and useful works on banking, for the use of its members," we think it may be interesting to many of our readers to have a list of some of the more important pamphlets and larger works which have been published, from time to time, on subjects connected with banking. We have compiled the following catalogue from the volume published a few years since, *On the Literature of Political Economy*, by Mr. J. R. McCulloch, in which a classified list is given of every work of importance on every branch of political economy. As this able and elaborate work is no doubt in the libraries of a large number of our readers (for it is a work without which no commercial library can be complete), they may not require the information contained in the following list; but to many persons it will be very useful, and as no mere catalogue of the titles of works on banking and monetary affairs could afford the same amount of information as that which is given by Mr. McCulloch, we lay before our readers his comments on the more important works contained in the list.

A Speech made by Sir Robert Cotton before the Lords of His Majesty's most Honourable Privy Council, touching the Alteration of Coyn. (From *Cottoni Posthuma*.) 8vo. London, 1679.

This speech was originally printed in 1641 (4to) as the speech of Sir Thomas Rowe at the Council-table, in July, 1640, with respect to brass money; but there is not a sentence in the speech that has any reference to any such subject, the whole relating to a project for enfeebling the standard of the coin. It was again printed in 1651, with some additions, as the speech of Sir Robert Cotton at the Council-table, the 2d of September, 1626; and as it is known that a project for reducing the standard was then entertained, it seems most probable that Sir Robert Cotton was its real author. But, to whichever of these learned persons the honor may belong of making this speech, it is not too much to say, that the injustice and impolicy of debasing the standard have never been more successfully demonstrated.

A Discourse of Coin and Coinage, &c. By Rice Vaughan, late of Grayes-Inn, Esq. 1 vol. 12mo. London, 1675.

Republished with a new title-page, as a second edition, in 1696. It appears from the dedication (to Henry Earl of Clarendon) that this was a posthumous publication, and it is probable it had been written several years before it was printed. It is a valuable treatise, superior to any other that had then been published on the same subject.

Quantulumcunque; or a Tract concerning Money, addressed to the Marquis of Halifax, by Sir William Petty. 4to. (London,) 1682. It was republished in 1695, but has been most improperly omitted in the collection of Petty's tracts published at Dublin in 1769.

In this short, but interesting tract, Petty shows the folly of expecting that any real advantage should result in our trade with foreigners from lowering the value of the coin, and of supposing that a country can be drained of its cash by an unfavorable balance. He also strongly condemns the laws limiting the rate of interest, justly observing, that there might as well be laws to limit the rate of exchange or of insurance.

During the greater part of the seventeenth century, the silver coins were in a very bad condition, the new and heavy coins issued from the mint having, for the most part, been soon after either exported or melted down, while those which remained in circulation were much degraded and defaced by wear, clipping, rubbing, &c. This arose principally from gold being overvalued as compared with silver, which, by making it for the interest of people to pay their debts in gold, occasioned the melting down and exportation of the silver coins of full weight; and partly from the vitiated state of the great bulk of the silver coins with which the people were acquainted, hindering the few new and standard coins that were met with from exchanging in the market for a

greater quantity of goods than the others. But, however occasioned, the degradation of the silver coins attained to a maximum in the early part of the reign of William the Third; and very great public inconvenience having been occasioned by the debased state of the coin, its reformation became indispensable.

On this occasion Mr. Lowndes, Secretary to the Treasury, recommended that, in order to prevent the future melting and exportation of the coins, the mint price of silver should be raised from 5*s.* 2*d.* to 6*s.* 5*d.* an ounce, or that, instead of 62*s.*, no fewer than 77*s.* should be coined out of the pound troy of silver bullion, being a degradation of the standard to the extent of 24.2 per cent. Happily, however, this project was powerfully opposed by Locke; and the views of the latter being espoused by government, or rather by Mr. Montague (afterwards Lord Halifax), then Chancellor of the Exchequer, the degradation of the standard was averted.

It is true, that in no very long time most part of the coins that were issued during the great recoinage in 1696, 1697, and 1698, were either exported or melted down. But that was not a consequence of the standard being adhered to, but of the continued overvaluation of gold as compared with silver, and of the circumstance of no seignorage being charged upon the coin. In consequence of this exemption, coin, though really worth more (from the coinage) than bullion, only passed at the same value as the latter; and was consequently exported the moment the exchange became unfavorable. And it is not a little singular, that, notwithstanding its obvious defects, this practice should have been persevered in down to 1816. The following are the titles of the principal publications having reference to this recoinage: —

Some Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money, in a Letter to a Member of Parliament. (By John Locke, Esq.) 1 vol. 12mo. London, 1691.

Short Observations on a Printed Paper entitled "For Encouraging the Coining Silver Money in England, and after for Keeping it here." (By John Locke, Esq.) 12mo. London.

A Report (to the Lords of the Treasury), containing an Essay for the Amendment of Silver Coins. (By William Lowndes, Esq., Secretary to the Treasury.) 8vo. London, 1695.

Further Considerations concerning Raising the Value of Money, wherein Mr. Lowndes' Arguments for it in his late Report are particularly examined. (By John Locke, Esq.) 1 vol. 12mo. London, 1698.

A Discourse concerning Coining the New Money Lighter, in Answer to Mr. Locke's "Considerations about Raising the Value of Money." By Nicholas Barbon, Esq. 12mo. London, 1696.

In this tract Barbon has pointed out sundry errors into which Locke had fallen, and he has the further merit of having demonstrated the fallacy of the then prevalent opinions with respect to the balance of trade, and of having shown that bullion is never sent abroad in payment of an unfavorable balance, unless it be at the time the cheapest and most profitable article of export. But although Barbon showed that the circumstances which determine the value of bullion, and which regulate its importation and exportation, differ in no respect from those applicable to other commodities, he contended that the value of coins (or of bullion in the shape of coin), depended on the stamp affixed to them by government; and consequently, that "money will be of as good value to all intents and purposes when it is coined lighter." This gross and unaccountable error destroyed the influence of Barbon's tract; and was most probably the cause of the oblivion into which it very soon fell, and of its never having attracted that attention to which, on other accounts, it was entitled.

Decus et Tutamen; or our New Money as now coined in full Weight and Fineness proved to be for the Honour, Safety, and Advantage of England. 12mo. London, 1696.



This is a valuable and extremely rare tract. The copy in our possession belonged to the Rev. Rogers Ruding, author of the work on the coinage.

Previously to 1640 it had been customary for the principal merchants of London, when they happened to have on hand any considerable quantity of cash or bullion, to send it to the mint for safe custody. But in that year the king having seized upon the cash in the mint (about £ 200,000), it ceased, of course, to be a place of deposit; and the merchants began soon after to place their money with the goldsmiths, who were generally people of capital, and whose premises were secure and well watched. This led, by easy steps, to the introduction of the trade of private banking; the merchants soon beginning to send orders to the goldsmiths with whom their money was deposited to pay their bills when due, and also sending them bills of which they were to receive payment, and to place the produce to their account. For a while the businesses of goldsmiths and bankers continued to be combined; but they were gradually more and more separated, till at length some opulent houses confined themselves entirely to the business of banking, that is, to keeping the money of individuals and paying and receiving their bills; discounting the bills of merchants and others; giving interest on the money deposited in their hands, provided it were allowed to lie for a certain period, &c. The goldsmiths and bankers began, also, after the Restoration, to make advances to government in anticipation of the different branches of the revenue, and on the security of treasury bills, &c. (Anderson and Macpherson, *Annals* 1645, 1664, 1672, &c.)

It may be worth mentioning, that the first run upon the bankers took place in 1667; being a consequence of the panic caused by the Dutch fleet entering the Thames, and destroying the ships at Sheerness and Chatham.

This, however, was but a trifling inconvenience compared with what the bankers had soon after to sustain. They had advanced to government in loans, mostly on short date, on various descriptions of securities, the sum of £ 1,328,526 at 8 per cent. It could hardly, however, be supposed, that a profligate prince like Charles the Second, destitute alike of honesty and honor, should make any great efforts to provide for the liquidation of the claims of the bankers. But his contempt for his engagements went further than could have been anticipated; and in January, 1672, he took the extreme step of shutting up the exchequer, putting a stop of course to all further payments to the bankers, but declaring, at the same time, that the stoppage should only be for a year, and that the interest on the debt would be punctually paid! It is almost needless to add, that no attention was paid to this declaration, and that the debt continued unpaid till, in the reign of William the Third, the arrears of interest were provided for, and the debt itself funded and made redeemable on paying a moiety of the original sum, or £ 664,263! It was long before the bankers recovered from this blow.

Between the Restoration and the establishment of the Bank of England, in 1694, various projects were brought forward for establishing a bank on a large scale. Of these, the most patronized was that of Dr. Chamberlen, a celebrated accoucheur, for the institution of a land bank, but the projects of Mr. John Briscoe and Mr. Robert Murray were not materially different. These persons appeared to have entertained the notion, which was also entertained by the famous John Law, that it was enough for the establishment of paper money that it should be issued on adequate security, such as land and other fixed property. But every body is now aware that security is not, by itself, sufficient to maintain the value of notes; that, however secured, they can only be issued in certain quantities; and that, to prevent their being issued in excess, it is necessary to make them convertible into gold at the pleasure of the holders. It was fortunate, therefore, that Chamberlen's scheme, though strongly supported, came to nothing.

The Bank of England, which has long been the principal bank of deposit and circulation, not in this country only, but in Europe, was, as stated above, founded in 1694. Its principal projector was Mr. William Paterson, an enterprising Scotch gentleman. Government being at the time much distressed for want of money, partly from the defects and abuses in the system of taxation, and partly from the difficulty of borrowing, because of the supposed instability of the revolutionary establishment, the Bank grew out of a loan of £ 1,200,000 for the public service. The subscribers, besides receiving eight per cent. on the sum advanced as interest, and £ 4,000 a year for the expense of management, in all £ 100,000 a year, were incorporated into a society denominated the *Governor and Company of the Bank of England*; the charter is dated the 27th of July. And it was enacted in the same year in which the Bank was established, by statute 6 William and Mary, c. 20, that the Bank "shall not deal in any

goods, wares, or merchandise (except bullion), or purchase any lands or revenues belonging to the crown, or advance or lend to their Majesties, their heirs or successors, any sum or sums of money by way of loan or anticipation, or any part or parts, branch or branches, fund or funds of the revenue, now granted or belonging, or hereafter to be granted to their Majesties, their heirs and successors, other than such fund or funds, part or parts, branch or branches of the said revenue only, on which a credit of loan is or shall be granted by Parliament."

Among the works introductory to and having reference to this subject were:—

The Tradesman's Jewel; or, a Safe, Easie, Speedy, and Effectual Means for the Incredible Advancement of Trade, and Multiplication of Riches, &c., by making Bills become current instead of Money. (By W. Potter.) 4to. London, 1659.

An Expedient for taking away all Impositions, and for raising a Revenue without Taxes, by creating Banks for the Encouragement of Trade. By Francis Cradocke, Merchant. 4to. London, 1660.

Proposals to the King and Parliament; or a Large Model of a Bank, showing how the Fund of a Bank may be made without Charge or any Hazard, that may give out Bills of Credit to a vast Extent, &c. By Matthew Lewis, D. D. 4to. London, 1678.

A Short Account of the intended Bank of England. 4to. London, 1694.

This tract was written by Michael Godfrey, Esq., first Deputy-Governor of the Bank, and one of the most active coadjutors of Paterson in its formation.

A Proposal for a National Bank, consisting of Land, or any other valuable Securities or Depositums, &c. By Robert Murray, *Gent.* 4to. London, 1695.

Several Assertions proved in order to create Another Species of Money than Gold. 8vo. London, 1696.

For a remarkable passage in this tract (which was written by John Asgill, Esq., M. P.), having reference to the theory of the Economists, see p. 9.

Angliæ Tutamen, or the Safety of England; being an Account of the Banks, Lotteries, Mines, Diving, Draining, Metallic, Salt, Linen, Lifting, and sundry other Engines, and many Pernicious Projects now on foot, tending to the Destruction of Trade and Commerce, and the Impoverishing of this Realm. By a Person of Honor. 4to. London, 1695.

This is a curious tract. It shows that the public were then infected with the same mania for all sorts of quackish schemes that attained to such a height in 1722, and, a century later, in 1825.

Conferences on the Public Debts by the Wednesdays Club in Friday Street. (By Mr. William Paterson.) 4to. London, 1695.

This tract gives an account of the proceedings connected with the establishment of the Bank of England.

The accounts of Paterson are obscure and contradictory. He was a native of the parish of Tinwald, in Dumfriesshire, where he first saw the light in 1660; but of his early life and adventures little appears to be known. Burnet says he was "a man of no education" (*History of His Own Times*, III. 217, ed. 1753); but other accounts say he was bred for the Church, and he must have been a person of some consideration, having more than once represented Dumfries in the Scotch Parliament. He visited, though the reason for his doing so is not clear, the West Indies in the earlier part of his career; and he has been represented as having associated with the Buccaneers, and learned from them his habits of daring enterprise (Burnet, *ubi supra*). Of his talents no doubt can be entertained; and not long after founding the Bank of

England, he projected the ill-fated colony at Darien (see p. 87). The failure of this project involved Paterson in very heavy losses; but such, according to Anderson, was the opinion of his merits and services entertained by the House of Commons, that they voted him, in 1713, £18,241 10s. 10½d., as a compensation for his losses (Anderson, *anno* 1695). This account corresponds ill with the statements of those who represent Paterson as surviving the Darien scheme for many years, pitied and respected, but totally neglected, by his countrymen.

The Constitution of the Office of Land Credit declared in a Deed. By Hugh Chamberlen, M. D., and others. Enrolled in Chancery, A. D. 1696. 12mo. London, 1698.

In 1696, during the great recoinage, the Bank was involved in considerable difficulties, and was even compelled to suspend payment of her notes, which were at a heavy discount. Owing, however, to the judicious conduct of the Directors, and the assistance of government, the Bank got over the crisis. But it was at the same time judged expedient, in order to place her in a situation the better to withstand any adverse circumstances that might afterwards occur, to increase her capital from £1,200,000 to £2,201,171. In 1708, the Directors undertook to pay off and cancel one million and a half of exchequer bills they had circulated two years before at 4½ per cent., with the interest on them, amounting in all to £1,775,028; which increased the permanent debt due by the public to the Bank, including £400,000 then advanced in consideration of renewal of the charter, to £3,375,028, for which they were allowed 6 per cent. The Bank capital was then also doubled or increased to £4,402,343. But the year 1708 is chiefly memorable, in the history of the Bank, for the act that was then passed, which declared, that, during the continuance of the corporation of the Bank of England, "it should not be lawful for any body politic, erected or to be erected, other than the said Governor and Company of the Bank of England, or for any other persons whatsoever, united or to be united in covenants or partnership, exceeding the number of six persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable on demand, or in any less time than six months from the borrowing thereof." This proviso, which had a powerful operation on banking in England, is said to have been elicited by the Mine-Adventure Company having commenced banking business, and begun to issue notes.

It has been pretty generally imagined, from the private banking companies in the metropolis not issuing notes, that they were legally incapacitated from doing so. But the clause in the act of 1708, which has been the only restriction on the issue of notes, applied generally to all England, and had no peculiar reference to London. The fact that banks with six or fewer partners have not issued notes in the metropolis, as well as in the provinces, is, therefore, ascribable either to their being aware that their notes would obtain no considerable circulation concurrently with those of a great association like the Bank of England, or from their believing that their issue would not be profitable.

Money and Trade Considered, with a Proposal for Supplying the Nation with Money. 8vo. Edinburgh, 1705.

This tract was written by John Law, of Lauriston, the founder of the Mississippi scheme, of which, indeed, it contains the germ. It was reprinted at Glasgow in 1760, in 12mo.

Report by Sir Isaac Newton on the State of the Coinage. 4to. London, 1717.

In pursuance of the recommendation in this report, the value of the guinea was reduced from 21s. 6d. to 21s.; but being still over-valued, as compared with silver, about 1½ per cent., gold continued to be the principal currency of the country, and silver coins of standard weight and purity were either melted down or exported. (Liverpool on Coin, p. 85.)

An Historical Account of the Establishment, Progress, and State of the Bank of Scotland; and of the Several Attempts that have been made against it, and the Several Interruptions and Inconveniences which the Company has encountered. 4to. Edinburgh, 1728.

This tract was published the year subsequent to the incorporation of the Royal Bank of Scotland; and is chiefly, in fact, occupied with a prejudiced, one-sided account of the circumstances that led to the foundation of the latter. Inasmuch, however, as the Bank of Scotland has been of essential service to the part of the empire in which it is established, and has served as a model for the numerous banks since established in Scotland, we may perhaps be excused for taking advantage of this opportunity to lay before the reader the following brief notice of its history.

The Bank of England having been projected by a Scotchman (Mr. Paterson), it was but fair that the Bank of Scotland should be projected by an Englishman, and such was the fact, Mr. John Holland,\* merchant of London, being its founder. It was established by act of the Scotch Parliament (William III., Parl. 1, § 5) in 1695, by the name of the Governor and Company of the Bank of Scotland. Its original capital was £ 1,200,000 Scotch, or £ 100,000 sterling; distributed in shares of £ 1,000 Scotch, or £ 83 6s. 8d. each. The act exempted the capital of the bank from all public burdens, and gave it the exclusive privilege of banking in Scotland for twenty-one years. The objects for which the bank was instituted, and its mode of management, were intended to be, and have been, in most respects, similar to those of the Bank of England. The responsibility of the shareholders was and is limited to the amount of their shares.

The capital of the bank was increased to £ 200,000, in 1744; and was enlarged by subsequent acts of Parliament, the last of which (44 George III., c. 23) was passed in 1804, to £ 1,500,000, its present amount. Of this sum, £ 1,000,000 has been paid up. The last-mentioned act directed that all sums relating to the affairs of the bank should henceforth be rated in sterling money, that the former mode of dividing bank stock by shares should be discontinued, and that, for the future, it should be transferred in any sums or parcels. On the union of the two kingdoms in 1707, the Bank of Scotland undertook the recoinage, and effected the exchange of the currency in Scotland; it was also the organ of government in the issue of the new silver coinage in 1817.

The Bank of Scotland is the only Scotch bank constituted by act of Parliament. It began to establish branches in 1696, and issued notes for £ 1 so early as 1704. The bank also began at a very early period to receive deposits on interest, and to grant credit on cash accounts; a minute of the directors, with respect to the mode of keeping the latter, being dated so far back as 1729. It is, therefore, entitled to the credit of having introduced and established the distinctive principles of the Scotch banking system, which, whatever may be its defects, is probably superior to any other hitherto established. Generally speaking, the Bank of Scotland has always been conducted on sound and liberal principles, and has been productive, both directly and as an example to other banking establishments, of much public advantage.

It may be worth mentioning, that the act of William III., establishing the Bank of Scotland, declared that all foreigners who became partners in the bank should, by doing so, become, to all intents and purposes, naturalized Scotchmen. After being for a long time forgotten, this clause was taken advantage of in 1818, when several aliens acquired property in the bank in order to secure the benefit of naturalization. But, after being suspended, the privilege was finally cancelled in 1822.

**Money answers all Things: or an Essay to make Money sufficiently Plentiful amongst all Ranks of People, and increase our Foreign and Domestic Trade, &c.** By Jacob Vanderlint. 8vo. London, 1734.

Dugald Stewart has referred to this tract in the appendix to his *Life of Adam Smith*, and has quoted from it some passages illustrative of the advantages of commercial freedom, which he says "will bear a comparison, both in point of good sense and of liberality, with what was so ably urged by Hume twenty years afterwards in his *Essay on the Jealousy of Trade*." Vanderlint closes his tract with an argument in favor of the repeal of the existing taxes, and the substitution in their stead of a territorial tax, an idea borrowed from Locke, and subsequently adopted by the Economists.

\* It has been repeatedly stated that Paterson, the founder of the Bank of England, was also the founder of the Bank of Scotland. But there is no foundation for any such statement. The fact of the bank being established by Holland is mentioned expressly in the above, and in other contemporary publications, and in the records of the bank.

Tables of English Gold and Silver Coins, with their Weights, Intrinsic Values, &c. By Martin Folkes, Esq. 1 vol. 4to. London, 1745.

Mr. Folkes having died in 1754, a new and much improved edition of these valuable tables, illustrated with numerous plates of coins, edited by Dr. Andrew Gifford, was published in 1 vol. 4to. London, 1763.

An Historical Account of English Money, from the Conquest to the Present Time. By S. M. Leake, Esq., Clarenceux King at Arms. Second Edition, with great Additions and Improvements. 1 vol. 8vo. London, 1745.

A third edition of this valuable treatise, with some supplementary matter, was published in 8vo. London, 1793.

A Discourse concerning the Currency of the British Plantations in America, especially with regard to their Paper Money. 8vo. Boston, 1740; reprinted at London in 1751.

This essay is especially valuable for the ample information which it gives respecting the paper currency of the American colonies, and also for the soundness of its principles. The causes of the depreciation of paper, and the mischiefs of which it is productive, are set in a very striking light.

An Essay towards an Historical Account of Irish Coins, and of the Currency of Foreign Monies in Ireland; with an Appendix. By James Simon, of Dublin, Merchant, F. R. S. 1 vol. 4to. Dublin, 1749.

A very excellent judge, the Rev. Rogers Ruding, has said that Simon's work is "the most valuable of all publications on the coinage of any part of the United Empire." (Annals, I. 11. Orig. 4to ed.)

An Essay on Money and Coins. By Joseph Harris, Esq., Assay Master of the Mint. Two Parts. 1 vol. 8vo. London, 1757-58.

This is one of the very best treatises on money and coins that has ever been published.

Reflections on Coin in General, on the Coins of Gold and Silver in Great Britain in particular, on those Metals as Merchandise; and also on Paper passing as Money. 4to. London, 1762.

This tract contains, within a brief space, a singularly clear and neat summary of the principles that should be kept in view in the issue of coins. It also shows the cause, arising from the over-valuation of gold as compared with silver, why silver coins of full weight were melted down and exported; and it further shows the advantage of using only one metal, and that the most precious, for the standard of the currency, and of employing paper as a substitute for gold.

SNELLING'S Works, viz. : —

1. A View of the Silver Coin and Coinage of England from the Norman Conquest to the Present Time, with Plates. Folio. London, 1762.

2. A View of the Gold Coin and Coinage of England from Henry III. to the Present Time, with Plates. Folio. London, 1763.

3. A View of the Copper Coin and Coinage of England, with Plates. Folio. London, 1766.

4. The Doctrine of Gold and Silver Computations, in which is included that of the Price of Money, the Proportion in Value between Gold and Silver, &c. 8vo. London. 1766.

5. A View of the Coins at this time current throughout Europe, exhibiting the Figures of more than 300 on 25 Copperplates, &c. 8vo. London, 1766.

6. *Miscellaneous Views of the Coins struck by English Princes in France, Counterfeit Sterlings, &c., with Plates.* Folio. London, 1769.

7. *A View of the Origin, Nature, and Use of Jettons or Counters, &c., with Plates.* Folio. London, 1769.

8. *A Supplement to Mr. Simon's Essay on Irish Coins.* (2 plates and 8 pages letter-press.) 4to. London, 1770.

9. *A View of the Silver Coin and Coinage of Scotland from Alexander I. to the Union of the Two Kingdoms, with Plates.* Folio. London. 1774.

This work was published after Snelling's death.

Snelling is one of the most esteemed numismatical writers that this country has produced. His works are all valuable, and indeed indispensable to every good collection. Original copies of some of them have become rather rare.

*The Connection of the Roman, Saxon, and English Coins, deduced from Observations on Saxon Weights and Money.* By William Clarke, M. A. 1 vol. 4to. London, 1767.

There is in this work (pp. 54 - 65) a very good account of the ancient trade of the Black Sea. Mr. Clarke was father to the celebrated traveller, Dr. Clarke.

*Considerations on Money, Bullion, and Foreign Exchange; being an Inquiry into the Present State of the British Coinage.* 8vo. London, 1772.

*Observations on the Present State (1730) of our Gold and Silver Coins.* By the late John Conduit, Esq., M. P., Master of the Mint; from an Original Manuscript formerly in the Possession of the late Dr. Swift. 8vo. London, 1774.

*A Critical Inquiry into the Legality of the Proceedings consequent to the late Gold Act.* 8vo. London, 1774.

*Precipitation and Fall of Messrs. Douglas, Heron, and Co., late Bankers, Ayr.* 1 vol. 4to. Edinburgh, 1778.

The bank of Messrs. Douglas, Heron, & Co. commenced business at Ayr in November, 1769, and had branches in Edinburgh and Dumfries. Dr. Smith has shortly, but satisfactorily, explained the circumstances which occasioned its ruin (*Wealth of Nations*, p. 137). It suspended payments on the 25th of June, 1772, when, though it had not been three years in operation, and though its paid-up capital amounted to only £128,000 (80 per cent. of £160,000), it had incurred obligations for no less than £800,000, viz. £600,000 of debt accumulated in London, and £200,000 of outstanding notes.

The large private fortunes of the partners enabled them in the end to discharge all claims upon the bank. The whole loss incurred, before its affairs were finally wound up, is said to have amounted to about £400,000.

*An Essay on Medals; or an Introduction to the Knowledge of Ancient and Modern Coins and Medals, especially those of Greece, Rome, and Britain.* By John Pinkerton. 1st ed. 2 vols. 8vo. London, 1784. 3d and best ed. 2 vols. 8vo. London, 1808.

This work, though deformed by the dogmatism and self-conceit of the author, is one of the most useful publications on the subject of which it treats. Pinkerton is said to have been under considerable obligations in getting up this book to his learned friends, Mr. Douce, and Mr. Southgate of the British Museum.

*Numismata Scotiæ, or a Series of the Scottish Coinage from the Reign of William the Lion to the Union.* By Adam de Cardonnel, F. A. S. 1 vol. 4to. Edinburgh, 1786.

Remarks on the Coinage of England from the Earliest to the Present Times, with a View to point out the Causes of the present Scarcity of Silver Coin, &c. By Walter Merrey. 8vo. Nottingham, 1789.

Address to the Proprietors of the Bank of England. By Alexander Allardyce, Esq., M. P. 4to. London, 1798.

Thoughts upon a New Coinage of Silver, more especially as it relates to the Alteration in the Division of the Pound Troy. By a Banker. 8vo. London, 1798.

A Proposal for Restoring the Ancient Constitution of the Mint, so far as relates to the Expense of Coinage, &c. By the Rev. Rogers Ruding, B. D. (Author of the "Annals of the Coinage.") 8vo. London, 1799.

Written to recommend the imposition of a seignorage on the coin. But the circumstance of the expense of the coinage being defrayed by the public, though an improvident arrangement, was not, as Mr. Ruding appears to suppose, the principal cause of the scarcity and degraded state of the silver coin; that, as we have already shown, was mainly occasioned by the over-valuation of gold.

Observations on the Establishment of the Bank of England, and on the Paper Circulation of the Country. By Sir Francis Baring, Bart. 8vo. London, 1797.

An able tract in favor of the policy of the restriction. The author, however, clearly perceived that the value of bank-notes could not be maintained, when the obligation to pay them on demand was done away, unless they were issued in moderate quantities; and he even goes so far as to recommend, in the view of guarding against abuse, and their depreciation from excess, that the *maximum* amount of notes which the Bank should be allowed to issue should be fixed by law at a sum not materially greater than the amount then in circulation.

A Letter to the Right Hon. William Pitt on the Influence of the Stoppage of Issues in Specie at the Bank of England on the Prices of Provisions and other Commodities. By Walter Boyd, Esq., M. P. 2d ed. with Notes and a Preface. 8vo. London, 1801.

Mr. Boyd contends in his letter "that a great increase of Bank-notes has taken place since February, 1797; that such an increase could not have happened in the same period, if the Bank had been bound to observe the fundamental principles of its institution, namely to pay its notes in specie on demand; and that there is the highest probability that the increase of Bank-notes is the principal cause of the great rise in the price of commodities and every species of exchangeable value." (p. 7.) Sundry answers were made to Mr. Boyd's tract, but of these it is needless to do more than refer to

Observations on the Publication of Walter Boyd, Esq., M. P. By Sir Francis Baring, Bart. 8vo. London, 1801.

Sir Francis Baring contends in this tract that the additions made by the Bank to her issues in the period since the restriction, had not been greater than were required by circumstances; and that it was quite impossible they could have the effects ascribed to them by Mr. Boyd.

An Inquiry into the Nature and Effects of the Paper Credit of Great Britain. By Henry Thornton, Esq., M. P. 1 vol. 8vo. London, 1802.

This work contains a greater amount of practical and useful information with respect to the pecuniary transactions carried on in the country, than had ever previously been communicated to the public. Its author, having been long a director and also governor of the Bank of England, was placed in the most favorable position for acquiring accurate information respecting the various subjects of which he treats. His position appears, however, to have biased, though perhaps unconsciously, his judgment: his statements and reasonings have an evident leaning in favor of the Bank, and being in-

tended to vindicate the policy of the restriction on cash payments from the objections of Mr. Boyd and others.

*The Utility of Country Banks Considered.* 8vo. London, 1802.

*Thoughts on the Effects of the Bank Restrictions.* By Lord King. 1st ed. 8vo. London, 1803. The 2d. ed. enlarged, with some Remarks on the Coinage. 8vo. London, 1804.

At the time when this tract was published, the circumstances which determine the value of paper money, though they had been well explained by Adam Smith and others, were not generally understood. The Restriction Act was comparatively recent; and the fall of the exchange and the rise in the mint price of bullion from 1799 downwards had been ascribed by Mr. Thornton and various practical authorities to the influence of deficient harvests, war expenditure, and other circumstances unconnected with the issue of paper. It was, therefore, of great importance, with a view to the information of the public and the proper conduct of the Bank of England, that the principles which really determine the value of paper money, and the tests by which its depreciation may be satisfactorily ascertained, should be clearly stated, and this Lord King did in the tract now referred to.

*Report of Committee of House of Commons on the State of Ireland, as to its Circulating Paper, its Specie, and Current Coin.* June, 1804.

*Observations upon the State of Currency in Ireland, and upon the Course of Exchange between Dublin and London.* By Henry Parnell, Esq. (afterwards Sir Henry Parnell, Bart.). 8vo. Dublin, 1804.

In this tract Mr. Parnell directs the reader's attention to a fact, established in the clearest manner by the returns laid before the committee, which is equally striking and conclusive. It appears that while the exchange between London and Dublin, where Bank paper only was in circulation, was ten per cent. against Ireland, the exchange between London and Belfast, which had a metallic currency, was about three per cent. in favor of Ireland! And there was, at the same time, an internal exchange between Dublin and Belfast equally in favor of the latter and against the former! Is it possible to imagine any thing more decisive of the question?

*An Essay on the Principle of Commercial Exchanges, and more particularly of the Exchange between Great Britain and Ireland; with an Inquiry into the Practical Effects of the Bank Restrictions.* By John Leslie Foster, Esq. 8vo. London, 1804.

In this very able treatise Mr. Foster gives the earliest explanation of the real nature and influence of absentee expenditure that we have met with.

*A Treatise on the Coins of the Realm, in a Letter to the King (George III.), by Charles, Earl of Liverpool.* 1 vol. 4to. Oxford, 1805.

In 1798, in consequence of an address of the House of Commons, recommending a new copper coinage, a committee of the Privy Council was appointed to inquire generally into the state of the coins, the constitution of the mint, &c. The first Earl of Liverpool was a member of this committee, and prepared the draft of a report to be laid by them before his Majesty; but though printed, for some reason or other, the report does not appear to have been made, and the draft was subsequently thrown by his Lordship into its present form. It is a work of great and deserved authority; and comprises in a reasonable compass a greater amount of information respecting the coins of the kingdom, and a more comprehensive and elaborate exposition of the principles on which the coinage should be conducted, than is perhaps to be met with in any other publication. The present mint regulations, which work extremely well, were adopted in exact conformity with the suggestions offered by Lord Liverpool in this treatise.

*The High Price of Bullion a Proof of the Depreciation of Bank-Notes.* By David Ricardo, Esq. 8vo. London, 1810.

The fourth and best edition of this tract, published in 1811, has an appendix in which Mr. Ricardo has successfully vindicated some of his statements from objections that had been made to them in the *Edinburgh Review*.



**An Inquiry into the Effects produced on the National Currency and Rates of Exchange by the Bank Restriction Bill, explaining the Cause of the High Price of Bullion, &c.** By Robert Mushet, of His Majesty's Mint. 8vo. London, 1810.

Though posterior to Mr. Ricardo's Letters, this tract preceded the publication of the Bullion Report. It is sound and able; showing that the currency was depreciated from excess, and that that depreciation was the cause of the high market price of bullion, and of the fall of the exchange.

**The Bullion Report, 1810; Report of the Committee of the House of Commons appointed to inquire into the Cause of the High Price of Gold Bullion, &c.**

**Observations on the Principles which regulate the Course of Exchange, and on the Present Depreciated State of the Currency.** By William Blake, Esq., F. R. S. 8vo. London, 1810.

This is one of the very best pamphlets to which the bullion controversy gave birth. It contains a masterly exposition of a most important, but at the same time complex and difficult subject. Mr. Blake has enumerated the various circumstances, whether arising out of the state of trade or of the currency, that determine the "course of exchange"; and he has traced with equal skill and sagacity the mode in which they operate, and set their respective and combined influence in the clearest light.

**The Question respecting the Depreciation of the Currency Stated and Examined.** By William Huskisson, Esq., M. P. 8vo. London, 1810.

There is nothing new in this tract, the doctrines in it being identical with those of Mr. Ricardo, Mr. Mushet, Mr. Blake, and the Bullion Report. But these have nowhere been stated with greater, or perhaps equal clearness, and in a way so likely to recommend them to the public attention.

**Practical Observations on the Report of the Bullion Committee.** By Charles Bosanquet, Esq. 8vo. London, 1810.

Many of the facts and conclusions in this pamphlet appear to be completely at variance with those in the Bullion Report; and as Mr. Bosanquet, who was an eminent merchant, represented them as having been deduced from a careful examination of the theoretical notions of the Committee by the test of experiment and observation, they were well fitted to make, and did make, a considerable impression, which, however, was not destined to be of long duration.

**Reply to Mr. Bosanquet's "Practical Observations on the Report of the Bullion Committee."** By David Ricardo, Esq. 8vo. London, 1811.

This is, perhaps, the best controversial essay that has ever appeared on any disputed question of political economy. In it Mr. Ricardo met Mr. Bosanquet on his own ground, and overthrew him with his own weapons.

**Proposals for an Economical and Secure Currency, with Observations on the Profits of the Bank of England.** By David Ricardo, Esq. 8vo. London, 1816.

In this tract Mr. Ricardo brought forward his ingenious proposal for superseding the use of gold coin by making bank-notes exchangeable for gold bars of the standard purity at the mint price of gold.

**Annals of the Coinage of Britain and its Dependencies, from the Earliest Period of Authentic History, to the End of the Fiftieth Year of His Majesty King George III.** By the Rev. Rogers Ruding, B. D. 4 vols. 4to. London, 1817.

A second edition of this elaborate work in 6 vols. 8vo, with a 4to vol. of plates, bringing down the history to 1818, was published in 1819. Mr. Ruding died in 1820, in his 69th year; and since his death a new edition of the "Annals" has been pub-

lished in 3 vols. 4to, with additional notes, tables, and plates, under the superintendence of J. Y. Akerman, Esq.

Reports from and Evidence taken before the Committees of the Houses of Lords and Commons on the Expediency of the Bank of England resuming Cash Payments. Folio. 1819.

Elementary Thoughts on the Bullion Question, the National Debt, the Resources of Great Britain, &c. 8vo. Barnstaple, 1820.

"The correct views on the Bullion question, and some other points of the science of Political Economy, are neatly explained in a small work which the author has sent me in print, but which he says he does not mean to publish. I have, however, advised him to publish it in the usual way, and I think he will do so." (Private letter of Mr. Ricardo.)

A Series of Tables exhibiting the Gain and Loss to the Fundholder arising from the Fluctuations in the Value of the Currency from 1800 to 1821. By Robert Mushet, Esq. 8vo. London, 1826.

Reports from and Evidence taken before Select Committees of the Houses of Lords and Commons on Promissory Notes in Scotland and Ireland.

Considerations on the State of the Currency. By Thomas Tooke, Esq., F. R. S. 2d ed. 8vo. London, 1826.

Elementary Propositions on the Currency. By Henry Drummond, Esq. 3d ed. with Additions. 8vo. London, 1826.

An Attempt to explain from Facts the Effect of the Issues of the Bank of England upon its own Interests, Public Credit, and Country Banks. By Robert Mushet, Esq. 8vo. London, 1826.

Observations on Paper Money, Banking, Overtrading, &c. By Sir Henry Parnell, Bart., M. P. 8vo. London, 1827.

A Practical Treatise on Banking, containing an Account of the London and Country Banks, the Joint-Stock Banks, &c. By James William Gilbert. 8vo. London, 1827.

An Address to the Proprietors of Bank Stock, the London and Country Bankers, and the Public in General, on the Affairs of the Bank of England. 8vo. London, 1828.

A Letter to Lord Grenville on the Effect ascribed to the Resumption of Cash Payments on the Value of the Currency. By Thomas Tooke, Esq., F. R. S. 8vo. London, 1829.

On the Currency in Connection with the Corn Trade, and on the Corn Laws, in a Second Letter to Lord Grenville. By Thomas Tooke, Esq., F. R. S. 8vo. London, 1829.

Three Lectures on the Cost of Obtaining Money, and on some Effects of Private and Government Paper Money. By N. W. Senior, Esq., A. M. 8vo. London, 1830.

The Universal Cambist and Commercial Instructor, being a full and accurate Treatise on the Exchanges, Coins, Weights, and Measures of all Trading Nations and their Colonies; with an Account of their Banks, Paper Currencies, &c. By Patrick Kelly, LL. D. 2d and best ed. 2 vols. 4to. London, 1831.

VOL. I.

63

312

Historical Sketch of the Bank of England, with an Examination of the Question as to the Prolongation of the Exclusive Privileges of that Establishment. By J. R. McCulloch, Esq. 8vo. London, 1831.

A Plain Statement of the Power of the Bank of England, and of the Use it has made of it; with a Refutation of the Objections made to the Scotch System of Banking, and a Reply to the "Historical Sketch of the Bank of England." By Sir H. Parnell, Bart., M. P. 8vo. London, 1832.

Lectures on the Coinage of the Greeks and Romans, delivered in the University of Oxford. By Edward Cardwell, D.D. 1 vol. 8vo. Oxford, 1832.

Report from the Committee of Secrecy appointed by the House of Commons to inquire into the Expediency of Renewing the Charter of the Bank of England, and into the System on which the Banks of Issue in England and Wales are conducted. Folio. 1832.

The History and Principles of Banking. By J. W. Gilbart, Manager of the London and Westminster Bank. 1 vol. 8vo. 1st ed. London, 1834; 2d and improved ed. London, 1835.

The History of Banking in Ireland. By J. W. Gilbart. 1 vol. 8vo. London, 1836.

Report from the Secret Committee of the House of Commons on Joint-Stock Banks, with Minutes of Evidence, Appendix, &c. Folio. 1837.

The Causes and Consequences of the Pressure upon the Money Market, with a Statement of the Action of the Bank of England from the 1st of October, 1833, to the 27th of December, 1836. By J. Horsley Palmer, Esq. 8vo. London, 1837.

A very important pamphlet, written by one of the most intelligent and most experienced gentlemen in the direction of the Bank of England.

Reflections suggested by a Perusal of J. Horsley Palmer's Pamphlet on the "Causes and Consequences of the Pressure on the Money Market." By Samuel Jones Loyd, Esq. 8vo. London, 1837.

Reply to the Reflections, &c. of Mr. S. Jones Loyd, on the Pamphlet entitled "Causes and Consequences of the Pressure upon the Money Market." By J. Horsley Palmer, Esq. 8vo. London, 1837.

A Letter to the Right Hon. Lord Viscount Melbourne, on the Causes of the Recent Derangement in the Money Market, and on Bank Reform. By R. Torrens, Esq., F. R. S. (Colonel Torrens.) 8vo. London, 1837.

Further Reflections on the State of the Currency, and the Action of the Bank of England. By S. Jones Loyd, Esq. 8vo. London, 1837.

Thoughts upon the Principles of Banks, and the Wisdom of Legislative Interference. 8vo. London, 1837.

One of the best tracts in opposition to interference with banking.

The History of Banking in America; with an Inquiry how far the Banking Institutions of America are adapted to this Country; and a Review of the Causes of the Recent Pressure on the Money Market. By J. W. Gilbart. 1 vol. 8vo. London, 1837.

Remarks on some Prevalent Errors with Respect to Currency and Banking. By G. Warde Norman, Esq. 8vo. London, 1838.

Money and its Vicissitudes in Value, as they affect National Industry and Pecuniary Contracts. By the Author of "The Rationale of Political Representation," &c. (Samuel Bailey, Esq., of Sheffield.) 1 vol. 8vo. London, 1837.

A Defence of Joint-Stock Banks and Country Issues. By the Author of "Money and its Vicissitudes in Value." 8vo. London, 1840.

Remarks on the Management of the Circulation, and on the Condition and Conduct of the Bank of England and of the Country Issuers during the year 1839. By Samuel Jones Loyd, Esq. 8vo. London, 1840.

The best perhaps of Mr. Loyd's tracts.

A Letter to J. B. Smith, Esq., President of the Manchester Chamber of Commerce. By S. J. Loyd, Esq. 8vo. London, 1840.

Effects of the Administration of the Bank of England. A Second Letter to J. B. Smith, Esq., President of the Manchester Chamber of Commerce. By S. J. Loyd, Esq. 8vo. London, 1840.

A Letter to Charles Wood, Esq., M. P., on Money and the Means of Economizing the Use of it. By G. W. Norman, Esq. 8vo. London, 1840.

The Silver Coins of England Arranged and Described, with Remarks on British Money previous to the Saxon Dynasties. (Illustrated with numerous Plates.) By Edward Hawkins, F. R. S., &c. 1 vol. 8vo. London, 1841.

The Modern Cambist, forming a Manual of Foreign Exchanges, &c. By William Tate. 4th ed. 1 vol. 8vo. London, 1842.

Letters on Currency. Addressed to the Right Hon. F. T. Baring, by J. W. Cowell, Esq., B. A. 8vo. London, 1843.

The Currency and the Country. By J. G. Hubbard, Esq. (a Director of the Bank of England). 8vo. London, 1843.

A valuable tract in favor of a single bank of issue.

An Inquiry into the Currency Principle, the Connection of the Currency with Prices, and the Expediency of a Separation of Issue from Banking. By Thomas Tooke, Esq., F. R. S. 8vo. London, 1844.

Decidedly the ablest tract in opposition to the recent measure.

Speeches of the Right Hon. Sir Robert Peel, Bart., in the House of Commons, May 6th and 20th, 1844, on the Renewal of the Bank Charter, and the State of the Law respecting Currency and Banking. 8vo. London, 1844.

An Inquiry into the Practical Working of the proposed Arrangements for the Renewal of the Charter of the Bank of England, and the Regulation of the Currency, &c. By Robert Torrens, Esq. (Colonel Torrens), F. R. S. 8vo. London, 1844.

Thoughts on the Separation of the Departments of the Bank of England. By S. J. Loyd, Esq. 8vo. London, 1844.

On the Regulation of Currencies, and the Working of the New Bank Charter Act, &c. By John Fullarton, Esq. 1 vol. 8vo. London, 1844.

## BANK STATISTICS.

## MARYLAND.

*Condition of the Banks of the City of Baltimore, January 5, 1852.*

LIABILITIES.	Capital.	Circulation.	Deposits.	Bank Balances.	Profits.
Merchants' Bank, . . .	\$ 1,500,000	\$ 373,970	\$ 651,816	\$ 368,504	\$ 113,812
Bank of Baltimore, . . .	1,300,000	219,087	460,070	138,940	46,990
Union Bank of Maryland, . . .	916,350	182,560	420,990	296,172	68,834
Farmers and Planters', . . .	600,625	276,045	335,415	89,694	60,414
Mechanics' Bank, . . .	594,378	246,512	551,452	33,410	104,446
Commercial and Farmers', . . .	512,560	111,702	368,697	122,556	115,154
Western Bank, . . .	400,000	226,254	299,055	226,734	40,064
Farmers and Merchants', . . .	393,560	132,384	183,993	18,266	36,691
Chesapeake Bank, . . .	311,473	174,491	344,502	139,140	63,273
Marine Bank, . . .	310,000	78,992	199,704	10,680	26,337
Franklin Bank, . . .	301,850	70,467	113,891	4,793	16,051
Citizens' Bank, . . .	100,665	78,224	127,082	5,068	12,623
Total liabilities, . . .	\$ 7,141,461	\$ 2,180,668	\$ 4,059,657	\$ 1,442,907	\$ 702,659

RESOURCES.	Loans.	Specie.	Real Estate.	Bank Balances.*	Stocks, &c.
Merchants' Bank, . . .	\$ 2,243,294	\$ 396,773	\$ 25,000	\$ 328,610	\$ 9,424
Bank of Baltimore, . . .	1,665,012	252,428	15,116	132,480	. . .
Union Bank of Maryland, . . .	1,377,170	157,340	66,868	242,543	139,954
Farmers and Planters', . . .	1,085,680	195,360	. . .	84,094	. . .
Mechanics' Bank, . . .	1,253,994	128,061	7,637	140,466	20
Commercial and Farmers', . . .	866,122	189,830	21,390	100,313	54,015
Western Bank, . . .	789,261	240,797	17,000	152,060	3,000
Farmers and Merchants', . . .	631,966	90,520	16,089	36,341	99,119
Chesapeake Bank, . . .	619,821	136,600	21,746	168,508	86,203
Marine Bank, . . .	415,425	71,060	23,208	51,162	63,538
Franklin Bank, . . .	268,400	47,316	33,167	27,458	30,713
Citizens' Bank, . . .	240,070	61,470	6,747	15,354	. . .
Total resources, . . .	\$ 11,445,115	\$ 1,967,555	\$ 263,946	\$ 1,474,363	\$ 386,341

*Comparative Condition of the Baltimore Banks, 1847-1852.*

LIABILITIES.	Jan. 1, 1847.	Jan. 1, 1849.	Jan. 1, 1850.	Jan., 1851.	Jan., 1852.
Capital, . . .	\$ 6,969,330	\$ 6,974,646	\$ 6,975,794	\$ 7,101,016	\$ 7,141,461
Circulation, . . .	1,990,640	1,948,167	2,073,587	2,288,419	2,180,668
Deposits, . . .	3,367,732	2,974,732	3,340,410	4,706,161	4,059,657
Bank balances, . . .	969,013	1,455,665	1,622,690	1,796,778	1,442,907
Undivided profits, . . .	701,290	631,590	712,331	658,108	702,659
Total liabilities, . . .	\$ 13,988,005	\$ 13,884,800	\$ 15,224,712	\$ 16,549,482	\$ 15,527,332

RESOURCES.	Jan. 1, 1847.	Jan., 1849.	Jan., 1850.	Jan., 1851.	Jan., 1852.
Loans, . . .	\$ 10,746,533	\$ 9,808,313	\$ 10,958,362	\$ 11,926,145	\$ 11,445,115
Specie on hand, . . .	1,814,313	1,806,909	2,127,983	2,361,204	1,967,555
Real estate, . . .	379,467	310,671	271,364	256,184	253,948
Bank balances, . . .	1,006,795	1,290,783	1,134,320	1,490,321	1,474,363
Stocks, bonds, &c., . . .	40,897	669,124	732,673	516,628	386,341
Total resources, . . .	\$ 13,988,005	\$ 13,884,800	\$ 15,224,712	\$ 16,549,482	\$ 15,527,332

\* Including bank-notes.

† Including \$ 14,000 bonus for charter till the year 1860

*Dividends of the Baltimore Banks, 1847-1851.*

	1847.	1848.	1849.	1850.	1851.	1851.
*Merchants' Bank, . . . . .	6	6	6	7	Jan., 3 $\frac{1}{2}$	July, 3 $\frac{1}{2}$
Union Bank, . . . . .	6	7	6	7	" 3 $\frac{1}{2}$	" 3 $\frac{1}{2}$
Farmers and Planters' Bank, . . . . .	7	7	7 $\frac{1}{2}$	8	" 4	" 4 $\frac{1}{2}$
Chesapeake Bank, . . . . .	6	6	6 $\frac{1}{2}$	7	" 3 $\frac{1}{2}$	" 4
Western Bank, . . . . .	6	6	6	8	" 4	" 4
*Franklin Bank, . . . . .		6	6	6	" 3	" 3
Farmers and Merchants' Bank, . . . . .	6 $\frac{1}{2}$	6 $\frac{1}{2}$	6	7 $\frac{1}{2}$	April, 4	Oct., 4
Marine Bank, . . . . .	7	7	6 $\frac{1}{2}$	7	" 3 $\frac{1}{2}$	" 4
Commercial and Farmers' Bank, . . . . .	8	8	8	8	May, 5	Nov., 5
*Bank of Baltimore, . . . . .	7 $\frac{1}{2}$	7	7	7	June, 3	Dec., 3
*Mechanics' Bank, . . . . .	6 $\frac{1}{2}$	7	7 $\frac{1}{2}$	8	" 4	" 4

## MICHIGAN.

*Condition of the Banks in Detroit, December 26, 1851.*

LIABILITIES.	Capital.	Deposits.	Circulation.	Due Banks.	Profits.
Michigan State Bank, . . . . .	\$151,578	\$175,637	\$189,438	1,037	\$31,907
Farmers and Mechanics' Bank, . . . . .	327,580	125,691	33,480	2,536	317,534
Peninsular Bank, . . . . .	100,000	206,860	94,038	1,634	9,558
Michigan Insurance Bank, . . . . .	182,070	197,514	290,632	17,651	16,086
Total liabilities, . . . . .	\$761,228	\$705,692	\$607,598	\$22,858	\$375,084

RESOURCES.	Loans.	Specie.	Bank Balances.	Real Estate.	Stocks, Mortgages, &c.
Michigan State Bank, . . . . .	\$307,866	\$55,670	\$101,813	\$1,304	\$83,145
Farmers and Mechanics' Bank, . . . . .	447,230	6,784	17,306	170,490	165,040
Peninsular Bank, . . . . .	124,274	28,900	77,450	3,655	177,800
Michigan Insurance Bank, . . . . .	323,478	58,890	79,364	17,606	224,615
Total resources, . . . . .	\$1,202,848	150,244	275,933	193,025	650,600

**DETROIT BANKS.**—These institutions, comprising all the bank facilities of this city, and chiefly of the State, are shown to be by their several statements in a sound and healthy condition as regarding the public interests, and as excellent interest-paying investments for their stockholders.

Through their means the business public have been furnished with such pecuniary facilities as it has been in their power to grant; but it is obvious that the aggregate amount of capital invested in them is entirely inadequate to meet the legitimate and healthy demand of the widely increasing industrial interests of the State. The presence of active capital to be invested in the business of legitimate banking, at least to the amount of that already so invested, is now urgently required by the interests of this community.

When men energetically and prosperously engaged in the business walks of life, such as merchants, boat-builders, foundrymen, engine-builders, farmers, butchers, contractors, &c., find themselves, although in good credit, at times, and often, unable to command a few hundred or a few thousand dollars in money, it is a sure sign that more banking facilities are needed.

The banks which we have are excellent institutions, doing much good; their power of doing more, however, is of course circumscribed to their means, a great portion of which has hitherto been employed in the negotiation of *produce paper*, drawn at short sight on Eastern cities. — *Detroit Daily Advertiser*.

\* In addition to the State tax, these institutions pay the city taxes levied upon bank stock. In the other cases the city taxes are assessed upon the individual stock.

## FLUCTUATIONS OF THE BOSTON STOCK EXCHANGE IN 1851.

The table below gives the prices of bank stocks on the first of each month; and care has been taken to have them as correct as possible, though we do not claim to have given the exact rate at which every one could be bought or sold, as many of them are seldom or never publicly quoted. Those stocks which sell more or less every week are, of course, quoted with precision. — *Boston Post.*

Boston Banks, 1851.	Jan. 1851.	Feb.	March.	April.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.	Jan. 1852.	Div. April.	Oct.
Atlantic Bank, . . . . .	100	110	112	103	111	111	111	111	111	108	109	109	108	4	4
Atlas Bank, . . . . .	100	101	103	99	100	100	100	102	102	100	98	101	101	3	3
Boston Bank, . . . . .	50	53	53	55	56	56	56	56	56	55	56	56	56	4	4
Boylston Bank, . . . . .	100	108	109	104	105	109	109	109	110	106	107	107	107	4	4
City Bank, . . . . .	100	104	104	101	102	103	103	103	102	100	108	101	102	3	3
Cochituate Bank, . . . . .	100	102	103	100	100	102	102	103	103	99	99	98	98	4	4
Columbian Bank, . . . . .	100	103	103	100	102	101	102	103	102	99	99	101	100	3	3
Bank of Commerce, . . . . .	100	102	105	100	101	101	102	100	101	98	98	100	99	5	4
Eagle Bank, . . . . .	100	106	108	103	105	105	103	104	103	100	101	103	103	3	3
Exchange Bank, . . . . .	100	106	108	105	105	105	105	104	104	101	102	103	104	4	4
Freeman's Bank, . . . . .	100	110	110	105	105	107	109	109	110	105	106	106	106	4	4
Globe Bank, . . . . .	100	113	113	109	110	111	111	111	111	104	107	109	109	4	4
Granite Bank, . . . . .	100	105	104	100	101	102	102	101	101	99	100	100	101	3	3
Grocers' Bank, . . . . .	100	101	105	102	101	101	102	102	100	98	99	99	100	4	4
Hamilton Bank, . . . . .	100	109	109	105	104	104	105	105	105	102	104	106	109	4	4
Market Bank, . . . . .	70	84	85	83	84	84	85	85	85	82	83	83	84	5	5
Massachusetts Bank, . . . . .	260	260	255	257	247	260	260	245	247	240	242	250	250	3	3
Mechanics' Bank, . . . . .	100	105	105	101	101	101	102	102	103	99	100	102	103	4	4
Merchants' Bank, . . . . .	100	110	110	109	109	109	110	110	110	107	108	107	108	4	4
New England Bank, . . . . .	100	111	111	109	109	111	111	111	111	106	107	107	108	4	4
North Bank, . . . . .	100	102	102	99	100	100	101	100	101	99	100	100	100	3	3
Bank of North America, . . . . .	100	100	102	99	101	102	103	103	101	98	100	100	100	3	3
Shawmut Bank, . . . . .	100	106	105	104	104	105	105	104	107	104	105	105	105	4	4
Shoe and Leather Dealers' Bank, . . . . .	100	114	113	110	110	110	111	111	110	107	108	108	110	4	4
State Bank, . . . . .	60	63	65	63	64	63	62	63	63	61	61	61	62	3	3
Suffolk Bank, . . . . .	100	122	125	122	126	127	127	127	129	134	136	136	136	5	5
Traders' Bank, . . . . .	100	106	105	102	103	103	103	102	102	94	94	94	94	4	4
Tremont Bank, . . . . .	100	104	108	107	103	104	107	106	106	102	104	104	104	4	4
Union Bank, . . . . .	100	109	109	105	104	110	110	110	110	106	107	107	107	4	4
Washington Bank, . . . . .	100	101	102	100	100	100	102	102	101	93	94	104	104	3	3

## SAVINGS BANK STATISTICS.

## MASSACHUSETTS.

*Deposits, Loans, &c., of the Three Savings Banks in Boston; and the  
Aggregates of all the Savings Banks in Massachusetts.*

May, 1851.	Provident Inst for Savings.	Suffolk for Sea- men, &c.	East Boston Savings Bank.	All in the State.
Number of depositors, . . . . .	23,060	4,826	150	86,537
Amount of deposits, . . . . .	\$ 3,842,950	\$ 1,061,877	\$ 20,191	\$ 15,554,088
<b>INVESTMENTS.</b>				
Public funds, . . . . .	\$ 250,520*	\$ 53,000	. . .	\$ 1,200,657
Loans on public funds, . . . . .	. . .	. . .	. . .	28,200
Bank stock, . . . . .	664,380	209,130	2,071	2,824,576
Loans on bank stock, . . . . .	20,126	. . .	. . .	399,706
Deposits in banks on interest, . . . . .	. . .	. . .	4,362	252,868
Railroad stock, . . . . .	. . .	. . .	. . .	126,137
Loans on railroad stock, . . . . .	26,926	42,000	2,600	306,290
Invested in real estate, . . . . .	42,055	. . .	. . .	100,854
Loans on mortgages, . . . . .	842,518	380,450	7,200	4,256
Loans to counties or towns, . . . . .	200,501	10,000	. . .	1,875,827
Loans on personal security, . . . . .	2,073,204	432,250	4,389	4,652,128
Cash on hand, . . . . .	59,904	10,730	128	232,186
Total, . . . . .	\$ 4,209,132	\$ 1,117,560	\$ 20,730	\$ 16,255,866
Dividend for last year, . . . . .	4 per ct.	4 per ct.	4 per ct.	4.78 per ct.
Average for five years, . . . . .	8 "	4† "	"	6.21 "
Amount last year, . . . . .	\$ 125,650	\$ 33,658	\$ 268	\$ 543,470
Annual expenses, . . . . .	12,565	5,913	290	143,707
Average deposit for each depositor, . . . . .	167	220	134	180

*Savings Banks in the Interior Towns.*

Location.	No. of Depositors.	Deposits.	Location.	No. of Depositors.	Deposits.
Andover, . . . . .	665	\$ 130,773	Ware, . . . . .	91	\$ 7,270
Danvers, . . . . .	265	30,972	Springfield, . . . . .	1,715	304,047
Gloucester, . . . . .	227	12,888	Greenfield, . . . . .	751	140,645
Haverhill, . . . . .	1,815	295,302	Adams, . . . . .	30	7,706
Lawrence, . . . . .	455	45,292	Pittsfield, . . . . .	247	32,072
Lynn, . . . . .	992	109,263	Canton, . . . . .	228	29,843
Newburyport, . . . . .	3,965	725,500	Cohasset, . . . . .	137	25,720
Salem, . . . . .	6,978	1,239,747	Dedham, . . . . .	1,715	333,930
Salisbury, . . . . .	975	112,753	Quincy, . . . . .	516	80,354
Cambridge, . . . . .	779	111,935	Roxbury, . . . . .	802	130,987
Charlestown, . . . . .	1,790	300,790	Weymouth, . . . . .	541	98,246
Concord, . . . . .	1,399	267,047	Fairhaven, . . . . .	302	90,037
Framingham, . . . . .	276	34,500	Fall River, . . . . .	3,471	947,132
Lowell Institution, . . . . .	4,733	776,112	New Bedford, . . . . .	3,759	978,485
City Savings, Lowell, . . . . .	1,398	230,147	Taunton, . . . . .	930	201,251
Newton, . . . . .	115	7,518	Hingham, . . . . .	1,376	298,638
Fitchburg, . . . . .	702	84,998	Plymouth, . . . . .	2,805	465,090
Lancaster, . . . . .	385	46,571	South Scituate, . . . . .	1,307	123,594
Southbridge, . . . . .	134	12,542	Wareham, . . . . .	464	94,075
Worcester, . . . . .	7,524	1,212,548	Barnstable, . . . . .	875	217,902
Northampton, . . . . .	204	23,058	Nantucket, . . . . .	663	174,847

\* Massachusetts State scrip.

† About 0.28 per cent. of deposits.

† In 1848 an extra dividend of 20 per cent. for previous five years.



## MISCELLANEOUS.

**BANKING IN VERMONT.**— We lately noticed the passage of a general banking-bill by both branches of the legislature. It has since received the signature of the Governor. It permits the formation of associations for banking purposes of any number of persons not less than ten. The circulating notes are to be provided by the State Treasurer, upon the transfer to him of an equal amount of the public stocks of the United States, Massachusetts, New York, Maine, Connecticut, Rhode Island, New Hampshire, Vermont, Ohio, New Jersey, or Virginia; such stocks to be made equal to 6 per cent. stocks. For one half of the amount of the circulation, he may take bonds and mortgages on productive real estate, at not exceeding two fifths of its value, exclusive of the buildings thereon. As additional security, the directors and stockholders are required to give bonds, equal to the amount of notes received for circulation, to make up any deficiency in case the stocks, bonds, and mortgages before provided shall be insufficient. All associations under the law are required to keep their notes at par in Boston. Existing banks may avail themselves of the provision of the law, upon the assent of stockholders, or paying off such stockholders as dissent.

These are the main features of the law. As it stands, it is a great improvement upon the previous banking system of the State, but would be much better by the omission of the feature permitting bonds and mortgages to be taken in part as the security for the circulation. Under judicious management, these may be so taken as ultimately to secure the note-holder; though experience thus far has proved that there is some difficulty even in effecting that. But security is only one of the elements of perfection in a paper currency. Scarcely secondary to it is immediate convertibility, and bonds and mortgages are but an awkward contrivance to realize that. In case of the failure of a bank to redeem its notes, its stock securities can, under any ordinary circumstances, be immediately realized, and applied toward the redemption. Not so with the other description of security. The process of foreclosure is tedious, and liable to protracted delay, and though the note-holder may ultimately lose nothing if he is able to hold what is in his possession, yet he may suffer serious inconvenience for the want of that money which the defaulting bank promised to pay on demand.

But it is not all the holders of broken bank liabilities who can afford to lie out of their means, while any protracted process of liquidation is going on, and it is this class that is far the least able to bear the loss. Were they certain of obtaining their money in full within a week or two, they might wait for it, but when the prospect is that the payment will be postponed for an indefinite time, — months, or probably years, — they are forced to realize, cost what it will. — *New York Tribune*.

**THREE-CENT PIECES.**— The following paragraph, from *Hunt's Merchants' Magazine*, has elicited the annexed correction from E. C. Dale, Esq., the Treasurer of the Mint:—

"The die for the coin has been prepared, and the coinage would be proceeded with at once at the Mint in Philadelphia but for a defect in the law, which makes no provision for procuring the materials, silver and copper, to go on with the work. Consequently the coinage is delayed until the proper steps are taken by Congress to remedy the deficiency."

*Treasurer's Office, United States Mint, 18th Jan., 1852.*

**EDITORS NORTH AMERICAN:**— The above statement, from your paper of this date, is entirely incorrect, so far as it imputes the scarcity of the three-cent coin either to the law or to the Mint. So far from the coinage of that piece having been "delayed" for any reason, it is sufficient to answer that we have already issued over six millions of pieces.

With reference to the alleged scarcity, it must be expected, of course, that a coin not eight months before the public, will be some time in finding its way to circulation. But every accommodation is afforded at the Mint for that purpose. Not only do we coin a supply for all local demands, but we send them to the Assistant Treasurers and Depositories of the United States, and to postmasters on the line of the express companies, at our own expense, and in exchange for gold. I shall be happy to fill all orders for sums of \$ 30, \$ 60, or \$ 150, or their multiples, — our bags containing those amounts.

Respectfully,

E. C. DALE, *Treasurer*.

**PRICES OF NECESSARIES OF LIFE IN 1810 AND 1851.**—A correspondent of the *Gardeners' Chronicle* had lately some conversation with a cottager, who gave him a list of articles used by the peasantry forty years since. As many now living are not aware of the great difference in cost that has taken place since then, we subjoin the following list:—

	1810.	1851.
	£ s. d.	£ s. d.
Hat, . . . . .	1 0 0	0 7 0
Gown, . . . . .	1 1 0	0 6 0
Shirt, . . . . .	0 10 6	0 3 0
Calico print, per yard, . . . . .	0 2 9	0 0 6
Brown Holland lining of gown, . . . . .	0 1 8	0 0 4
Packing cloth, then used for aprons, . . . . .	0 1 6	0 0 6

**Articles of food:—**

A gallon of flour, . . . . .	0 3 3	0 0 10
A bushel of flour, . . . . .	1 0 0	0 5 0
Salt, per bushel, . . . . .	0 18 0	0 1 0
Bacon, home-cured, per lb., . . . . .	0 1 6	0 0 8
Tea (not good), . . . . .	0 8 0	0 4 0
Brown sugar, per lb., . . . . .	0 0 10	0 0 4
Butter, per lb., . . . . .	0 1 0	0 0 8
Soap, per lb., . . . . .	0 2 6	0 0 6
Starch, per lb., . . . . .	0 2 6	0 0 8

**CONSUMPTION OF GOLD IN PORCELAIN MANUFACTURE.**—It is stated in a recent notice, in the *London Times*, of the porcelain manufactures exhibited at the Great Exhibition, that the value of the gold consumed annually at the potteries in the ornamentation of porcelain is £36,400, and since about half that amount is consumed in the other places of the manufacture, it may be stated that the total value of the gold used annually in England in this manufacture is about £54,600.

**BANKING IN LOUISIANA.**—Free banking is another subject upon which there has been much discussion, and some contrariety of opinion. In the old States of the North, rich in resources, and in capital accumulated by the commerce of centuries, this innovation on the received forms of banking has been successful, operating, as it does, under laws the most salutary and effective. The facilities for conducting such operations are manifold. State and individual credit is high, the rate of interest low, and national and State securities in the almost exclusive possession of those who bank upon the free principle. In the South, most unfortunately, financial affairs are by no means so flattering. Capital appears to have forsaken its legitimate channels, and passed into the hands of money-changers. Rates of interest are extravagantly high; individual credit far below what it should be in a sound condition of things; and State bonds either owned by or under the control of Northern brokers or foreign capitalists.

These remarks are general, but will apply with much force to our own State. Rich in resources, with a soil of unrivalled fertility, our citizens are embarrassed in their business transactions, not, perhaps, from a dearth of capital, but the very high rates of interest demanded by those who control domestic exchange.

This evil is believed to be beyond the reach of legislation, arising, in the opinion of many, from our peculiar jurisprudence; but it may, in your opinion, be deemed advisable to pass some free banking law, of a general nature, giving to those citizens who require it the power to bank to the extent of their undoubted means. The only object requiring your especial attention in framing such a law would be, to provide most effectually for the security of the circulation of such individual or company banks; and in doing this, the experience of other States should be valuable to you.

The first attempts at free banking were made upon a mixed basis of State stock and real estate, but this was abandoned, proof being adduced, that the valuation of such estate was sometimes too high, if not fraudulent, and the security to note-holders not ample. United States stock and State stock, always at or near par value, form now the security for circulation in States where the free system seems most prosperous, express provision being made, that the issues shall not exceed in amount the securities placed in the hands of high ministerial officers, for the redemption of such obligations. Governor Walker's Message to the Legislature, January, 1852.

**THE MINT.** — Mr. Adam Eckfeldt, formerly chief coiner of the Philadelphia Mint, died on Friday, February 6, in the eighty-third year of his age. Mr. Eckfeldt has long been a well-known and highly respected citizen of Philadelphia. He began to make machinery for the Mint at its first organization in 1792-3; was soon after appointed assistant coiner, and in the year 1814 was made chief coiner, which office he held until the year 1839, at the age of seventy. As a special token of regard, his fellow-officers presented him on that occasion with a gold medal bearing his likeness.

Nearly all the coinage of the country, up to 1839, was executed under his immediate superintendence; and by his ingenuity several valuable improvements were made in the machinery and processes, some of which were afterwards adopted in foreign mints.

The son of Mr. Eckfeldt is now one of the assayers at the Mint.

**AUSTRALIAN GOLD.** — It appears that the Australian gold discoveries have already led to the anomaly of shipments of sovereigns being made to the colony from this country. As much as £ 250,000, it is said, has already been transmitted, partly as returns for the gold which has arrived here, and partly for prospective purchase of the metal on advantageous terms. Under these circumstances, it would seem that the propriety of establishing a mint either at Sydney or Port Phillip should at once be taken into consideration. Any thing more wasteful, looking at the risk and loss of interest it involves, than the shipment of the metal backwards and forwards in the shape of rough gold from one side and coined pieces from the other, can hardly be imagined. — *London Times, February, 1852.*

**CINCINNATI.** — The *Cincinnati Gazette* of the 20th of January last, alluding to the continued pressure in the money market of that city and its causes, says: —

"One of these causes, which cannot be too often repeated, is found in the fact, that our banking facilities do not at all keep pace with our increased business or necessities. Since 1836-37 we have nearly trebled our population, and quadrupled our business, and yet our moneyed capital, our business facilities, have decreased three fourths. — our city banks have no circulation and but little power. The difference between these two extremes is immense in regard to its influence on business. We are advised by the banks accessible about us, that it is impossible, almost, to get a circulation to a note before it is run in on them for exchange or specie. This state of the case operates disastrously on our business. Comparing our business facilities with that of any place about us, we shall find that business men in these other places have chances in business which cannot be obtained here. It is not that the real interest of private banks and incorporated banks is antagonistical, but the influence has been to make them so; and the facility to make this war is given by our business men. Until a different policy or course of action is induced, the mechanics and business men of the city, who need any help, must suffer."

## BANK ITEMS.

**MASSACHUSETTS.** — Henry M. Holbrook, Esq. was, in January last, elected President of the Granite Bank, in place of George Denny, Esq., whose death was announced in our last No.

**NEW HAMPSHIRE.** — The charter of the Granite Bank at Exeter expired on the 1st of January, 1852, and four years are allowed to close its affairs. A new institution, entitled the Granite State Bank, has been chartered, with a capital of \$ 125,000, which assumes the business of the former, and with the same officers.

**RHODE ISLAND.** — D. M. C. Stedman, Esq. has been elected Cashier of the Bank of the South County, at Wakefield, R. I., in place of Attmore Robinson, Esq., resigned.

**NEW YORK.** — *Notice.* — To the holders of the notes of the James Bank and Bank of New Rochelle: —

*Bank Department, Albany, January 16, 1852.*

Notice is hereby given, that a dividend of ninety-one (91) per cent. has been declared on the circulating notes issued to the James Bank, Jamesville. Also, a dividend of

eighty-one (81) per cent. on that portion of the notes of the Bank of New Rochelle secured by public stocks and real estate, which will be paid on presentation of the notes at this Department, and a certificate given for the balance, which will entitle the holder to any further dividend therein.

D. B. ST. JOHN, *Superintendent*.

*Batavia.* — The charter of the Bank of Genesee, at Batavia, expired on the 1st of January last. A new institution with the same title has been established under the general law of New York. Benjamin Pringle, Esq., President; Trumbull C. Kimball, Esq., Cashier.

*Newburgh.* — Jonathan N. Weed, Esq. has been elected Cashier of the Quassaic Bank, lately established at Newburgh.

*Williamsburg.* — A bank is in process of organization, to be called the Williamsburg City Bank, at that flourishing place on Long Island. President, Noah Waterbury, Esq.

*NEW JERSEY.* — A new bank has been formed under the general banking law of New Jersey, at Bridgton, Cumberland County, under the name of the Merchants' Bank of Bridgton.

*PENNSYLVANIA.* — Thomas Robbins, Esq. has been elected President of the Philadelphia Bank, in place of Samuel F. Smith, Esq., who declined a reelection.

*OHIO.* — The capital of the Pickaway County Bank has been increased to \$100,000.

*Forest City Bank, Cleveland.* — This institution, recently established in our sister city on Lake Erie, is now in full operation. The bank owes its existence, principally, to the enterprise of Pittsburg capitalists, — two thirds of the stock being owned in this city. The actual capital of the bank at present is \$100,000, but the charter allows it to be increased at any time to \$500,000. The company are now erecting a splendid new building on Superior Street, in which their business may be transacted. It is a large and substantial edifice, with a beautiful stone front, and will be ready for occupancy in about a month. It will cost \$13,000. J. G. Hussey, Esq. is President, and A. W. Brockway, Esq. is Cashier, of the Forest City Bank. These gentlemen are well known to the public as intelligent business men. — *Pittsburg Post*.

*Cincinnati.* — S. L'Hommiedieu, Esq. was on the 30th of January elected President of the Mechanics and Traders' Bank, in place of T. W. Bakewell, Esq., resigned.

*TENNESSEE.* — The legislature of Tennessee have at the present session passed a law, making Christmas Day, January 1, July 4, and Thanksgiving Day, holidays; also declaring that drafts drawn at sight are not entitled to grace.

*Bank of East Tennessee.* — The following notice is being published in several of the Western papers, to warn persons from taking the notes of this bank, signed by J. W. J. Niles as President. We would enlarge on this notice somewhat, by advising our readers to take none of the notes of this bank: —

"NOTICE. — *Bank of East Tennessee.* — The stockholders of this institution will not be held responsible for any notes issued and put in circulation by the present Board of Directors, signed by J. W. J. Niles, President, as he was not elected by the stockholders, but by a Board of Directors, after their term of office had expired, — holding over against the wish, consent, and in defiance of the stockholders of said bank.

"F. M. FISH, for himself and 800 others, owning 97 per cent. of the stock of said bank."

## DEATHS.

At Troy, New York, February 7, John Paine, Esq., Cashier of the Bank of Troy, in the 59th year of his age. Mr. Paine was an active member of the bar, at Troy, from the year 1814 until 1836, at which latter period he accepted the cashiership of the Bank of Troy.

At Buffalo, on Wednesday, February 11th, Lucius F. Tiffany, Esq., President of the Pratt Bank in that city, aged 42 years.

At Richmond, Virginia, on Friday, February 6, John H. Cook, Esq., Cashier of the Farmers' Bank of Virginia, aged 43 years.

## Notes on the Money Market.

BOSTON, FEBRUARY 24, 1852.

*Exchange on London, 60 days, 10 to 10½ premium.*

THE money market at this time presents less favorable features than existed a month since. There is less facility for negotiating loans among private capitalists, and the rates have slightly advanced within the last four weeks. The increased shipments of coin to Europe during the same period have caused some little uneasiness among the money circles, accompanied by a slight contraction of discounts in our banks.

Notwithstanding the disastrous results of last year's business throughout the country, and especially in the Atlantic cities, our importers at New York and Boston seem determined to flood the States with European goods of the most costly kinds. We are still in arrears for the enormous importations of last spring and fall, and the whole country is oppressed with the heavy debt incurred for fine silks, satins, jewelry, and other expensive finery, which were imported during the year 1851. Among the consequences of a sudden increase of gold, is distinctly observable a vast increase in the use and consumption of extravagant merchandise, and a corresponding increase in personal expenditure.

The contrast at present exhibited in the money market, when its condition is compared with that of February, 1851, is a conclusive argument as to the unfavorable business of the past year. We present the rates for loans and rates of foreign exchange for both periods.

	<i>Rates for loans, New York.</i>	<i>Boston.</i>	<i>Sterling Bills.</i>
February 24, 1851, . . . . .	5 to 6 per cent.	6 to 7 per cent.	9½ to 10 per cent.
February 24, 1852, . . . . .	6 to 8 " "	8 to 9 " "	10 to 10½ "

Fortunately for us at this moment, there is a plethora of capital in England and on the Continent, with a large demand for cotton. From the 20th of September last to January 24th, the coin in the Bank of England increased from £14,665,000 to £17,933,000; at the latter date the London and Westminster Bank had given notice that the rate of interest allowed on deposits would be reduced to 1½ per cent. The Liverpool cotton market exhibits great activity; not less than 60,000 bales having been sold there in the last week of January, — the average weekly sales of 1851 having been about 36,000 bales.

A proposition is now before Congress, to authorize the coinage of gold dollars and half-dollars, and small silver pieces, with a greater alloy than previously, in conformity with the recommendation of the Secretary of the Treasury. The specimens of gold dollars and half-dollars, lately prepared for the guidance of committees in Congress, were merely struck from dies of the dime and half-dime, and have a large hole in the centre. The Director of the Mint has charged the engraver with the duty of making dies expressly for the purpose. The gold dollar will probably be thirteen twentieths of an inch in diameter, instead of fourteen twentieths, which is the diameter of the dime. Strenuous efforts will be made at the present session so to reduce the standard weights of the silver coinage as to insure a plentiful supply of it for purposes of change, and to prevent its exportation; agreeably to the British system, which has now been in operation some thirty-five years, and works well.

A large sale of government and other stocks took place at New York last week, when the following prices were realized. United States six per cents, 1863, 115½; New York State six per cents, 1862, 110½; New York City seven per cents, 1852, 100½; Kentucky six per cents, 1871, 106½ & 106½. State stocks are now in demand as a basis of bank circulation in several States. New York and Ohio have for some years absorbed a large portion of their own stocks for this purpose, and now the free bank system is authorized in the States of New Jersey, Vermont, Massachusetts, Alabama, &c., and attempts are made to introduce it in the State of Tennessee.

The law in Massachusetts has been in force nearly a year, but no one bank has been organized under it. The belief prevails that the old system is more safe, which guarantees to depositors as well as to the bill-holders full indemnity in case of failure. Only two bank failures have occurred in this State within a few years past. In both instances the creditors of these banks were paid in full; whereas in New York, where several failures have taken place within the last year, neither the depositors nor bill-holders were fully indemnified.

**BANK RETURNS.** — We are reluctantly compelled, from want of space, to defer until another No. the publication of the bank returns of Rhode Island, Kentucky, and other States. The conclusion of the London Prize Essay on Banking has not yet reached us, but will be published in this work as early as practicable after its reception.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

VOL. I. NEW SERIES.

APRIL, 1852.

No. X.

THE GENERAL BANKING LAW OF VERMONT.

Communicated for the Bankers' Magazine by a Vermont Banker.

THE legislature of this State at their last session passed a free banking law, of which the following is an analysis :—

1. Any number of persons not less than ten may associate for banking purposes with a capital not exceeding \$ 250,000, nor less than \$ 50,000; and may lodge with the State Treasurer the following public stocks, and obtain an equal amount of bills for circulation, countersigned by such persons as the Treasurer shall appoint. The public stocks allowed by the law are those of the United States, Massachusetts, New York, Maine, Connecticut, Rhode Island, New Hampshire, Vermont, Ohio, New Jersey, and Virginia. One half of the circulation, however, may be secured by mortgages on improved farms at two fifths their value, exclusive of buildings. These stocks and mortgages may be exchanged for others by the Treasurer, according to the exigency of the case; confining the exchange to such as are allowed by the act. The annual interest on the stocks and mortgages to be paid to the banks by the Treasurer, unless he shall be of opinion that they have become insufficient for the redemption of the bills; in which case he may retain the interest.

2. If any bank shall refuse to redeem its bills in specie, the holder may cause them to be protested, and notify the Treasurer, who shall advertise and sell the stocks and mortgages, and redeem the protested bills and all others in circulation; which virtually closes the bank.

3. Bills for circulation to be procured by the Treasurer at the expense of the banks; and the plates and dies to remain in his custody.

4. Every banking association to be formed under the hand and seal of the parties composing it; and the instrument to be recorded in the offices of the county clerk and Secretary of State. No specific directions are given for the appointment of officers, which seems to be left to the discretion of the association.

5. The shares of the association shall be deemed personal property and transferable on the books of the bank.

VOL. I.

64

6. No stockholder personally liable for the debts of the bank, unless he voluntarily makes himself so.

7. Any person interested to the amount of \$ 1,000, as stockholder or creditor, may apply to a chancellor for a special examination into the affairs of the bank, which shall be granted.

8. If any portion of the capital shall be lost, no dividends can be made, until the deficit is made up.

9. If any bank neglects to redeem its bills on demand, they shall bear 12 per cent interest until redeemed.

10. The Bank Commissioner shall visit and examine the banks, at least once a year, and report minutely their condition.

11. Banks may be closed by giving two years' public notice to the bill-holders, to present them for redemption; after which the Treasurer may surrender the securities.

12. The Treasurer may take back ragged and mutilated bills, and issue new ones instead thereof.

13. A joint committee shall be appointed annually by the legislature, to examine and report the condition of the securities in the hands of the Treasurer.

14. Stock liable to taxation, and the cashier to notify the towns where the owners reside of the amount owned by any individual.

15. Directors personally responsible to creditors and stockholders for all losses occasioned by unfaithfulness or violation of law.

16. Banks to pay the State an annual bonus of one per cent. on the capital; but to be exempt from this tax by redeeming their bills at par in Boston.

17. The directors or stockholders must give bonds to redeem their bills, in case the public stocks and mortgages shall prove insufficient.

#### Remarks.

In what manner the directors or stockholders are to be made answerable for the insufficiency of the stocks and mortgages, or which of the two classes shall execute the bonds, appears by the present law to be left in the dark. Many changes will take place in the course of a dozen years; and whether the bonds of the stockholders are to be changed on every transfer of stock, or the first holden to the end, we are at liberty to *guess*, like all other Yankees on all other subjects. We also have the same liberty in relation to the directors. Whether the first board, or the last, shall foot the bill, or all pay *pro rata* for the time in office, is a subject which we may submit to "the glorious uncertainty of the law."

The act is quite lengthy, consisting of fifty-three sections, and occupies nearly five columns in a newspaper of common size. In this analysis I have endeavored to embrace all the important, leading features of the bill, omitting the minute details.

The law is sufficiently stringent to satisfy the most captious; and so severe in its requirements, that no association can conduct banking operations profitably under it. The main object seems to have been, to secure the redemption of the bills at the expense of every other interest; and this is most thoroughly done. No provision is made for that necessary ingredient of all banking business, which I shall denominate *cash* or "*working capital*." It is true, that the act requires from \$ 50,000 to \$ 250,000 for every bank; but it is equally true, that every dollar subscribed may be vested in public stocks, and converted into bills for circulation. This was by no means an inadvertent omission. A member of the legislature moved an amendment to the bill requiring at least \$ 50,000 actual cash capital to remain in each bank for the transaction of business; which was voted down by the House.

Nothing is more fallacious than the idea that a bank can do a prosperous business on circulation alone; and should any association attempt it, they will find it unprofitable, and themselves swamped sooner or later. The business of a merchant, mechanic, or manufacturer, can better be conducted without capital than a bank, whose operations are confined to cash, and whose business it is to give credit and not ask it. Banks attempting any considerable operations on circulation alone, will continually find themselves short of funds, must do an uncertain and precarious business, and when a revulsion comes they will discover that their foundation is sand, and a suspension must follow. I am aware that some little animation may be given to the affairs of a bank by the employment of exchange agents to ride and loaf about, and exchange their bills for those of other banks; and thus keep up a temporary circulation. But still, such a circulation is not "founded upon a rock," and when an adverse wind blows, it must fall; for the "foolish man" has "built upon the sand." It is earnestly to be hoped that no association will attempt to set up a bank, without at least one dollar "working capital" for every two dollars in bills for circulation.

Now let us trace through the process of establishing a bank, with a "working capital" of \$100,000, on the basis of public stock securities. In the first place, \$300,000 must be subscribed and all paid in. Then \$200,000 of this sum must be withdrawn to purchase public stocks to lodge with the State Treasurer, as security for the redemption of the bills wanted for circulation. These stocks sell at a premium of from 7 to 16 per cent., and supposing the premium to average 10 per cent., the money so withdrawn will purchase only \$180,000 of these stocks; which last sum is above the amount which such a bank would want of the Treasurer for circulation. Should any one suggest that \$180,000 in bills would not be required, my answer is, that many of the Vermont banks keep out a circulation of two dollars for one of capital during a considerable portion of the year. A bank possessing only \$180,000 in bills can seldom circulate more than \$155,000 at any one time; for they must have at all times at least \$25,000 of their bills redeemed and laid by in Boston, on the way home, or in their vault for immediate use.

Now for the profits. Let us suppose that a bank is established for ten years on the above basis. In the first place, we have a loss of \$20,000 on the stocks purchased and lodged with the Treasurer; which is equal to two per cent. per annum on the \$100,000 "working capital." But this is not all. These stocks draw six per cent. interest on only \$180,000, while they cost \$200,000; and there is consequently a loss of \$1,200 a year in interest. That is, the \$180,000 of stocks will draw only \$10,800 per annum, while the interest on the money they cost will be \$12,000. Here is another leak of  $1\frac{1}{2}$  per cent.; making in all a draft of  $3\frac{1}{2}$  per cent. per annum on banks established under the new law, which the old banks escape. It is a matter of no consequence whether the new bank has a capital of \$50,000 or \$100,000; the ratio will be the same for any amount. Such a disparity between the advantages enjoyed by the old banks and those under the new law is quite too great to be endured patiently; and it is believed that but few will embark in the enterprise under such unequal clogs and trammels.



But there is another phase to this law. The State Treasurer may receive mortgages on farms, at two fifths their value, exclusive of buildings, for one half the capital; and issue bills for circulation to the amount of such mortgages. Let us, as in the other case, trace through the process. A farmer has \$1,000 in cash, which he is willing to vest in bank stock, and subscribes and pays his money to that amount. Now, in order to make a profitable use of \$1,000 paid in, about \$2,000 in bills for circulation is wanted from the State Treasurer; to procure which he must mortgage a farm worth at least \$5,000, exclusive of buildings, to indemnify the public against any mischief which his cash may do. There are but few farmers so eager for bank stock, that they will hazard their money, and then mortgage their farms, for such a boon; especially while the chance for profits is  $3\frac{1}{2}$  per cent. less than the old banks enjoy, and double the risk on their shoulders.

The present banking capital of Vermont is \$2,600,000, divided among 31 banks. Under the old system a dollar makes a dollar of banking capital; but under the new law it takes three dollars to make one. Should ten new banks be established under the existing law, with a "working capital" of \$100,000 each, and secured by pledge of public stocks, it would require \$3,000,000 to set them in operation. But this is not the worst feature of the law; for out of this sum \$2,000,000 must be wholly withdrawn from the State to purchase the necessary public stocks, while it affords only \$1,000,000 to be employed at home. A collection of three millions for banking purposes, to be used in the same community where it is raised, might be borne. In that case the money would only change hands in the same vicinity; but to drain \$2,000,000 from the people's pockets and send it abroad is quite another affair; and would assuredly bring universal distress and ruin in its train.

I am aware that flattering hopes are entertained by some that public stocks may be borrowed of capitalists in the cities for little or nothing. This is all moonshine. The sharks and Shylocks will never hazard the loan for nothing. They must and will have a share of the profits in some shape; and it is quite doubtful whether the stocks can be borrowed on any security which a bank can give, at a less rate than one per cent. per annum; and perhaps not for that. Now one per cent. on \$200,000 of public stocks is just two per cent. on \$100,000 "working capital"; and it will be but little cheaper to borrow than to buy.

Thirty-one banks established under the general banking law, on the basis above mentioned, with our present capital of \$2,600,000, would require \$7,800,000 to be raised in cash. Then, of this sum, \$5,200,000 must be sent abroad to purchase stocks to lodge with the Treasurer, leaving the balance for cash capital. This is "free banking" with a vengeance; and fully carried into operation for a "working capital" of two and a half millions, would drain the State of her last dollar.

The specie and bills in circulation of all the banks in Vermont, according to the Commissioner's last report, were \$4,749,000. This sum, as large as it is, and which probably embraces more money than the State contains, would lack half a million of being sufficient to purchase

public stocks for our present banking capital, allowing two dollars in bills for each dollar in cash. Even could \$5,200,000 be raised, by raking and scraping the last farthing, where would be our present \$2,600,000 for "working capital"? Not in Vermont surely.

The conclusion of the whole matter is this. That if a bank is got up owned by the owners, with a "working capital" of \$100,000, and \$200,000 in bills for circulation, it will require just \$300,000 in cash to put it in operation; and then its bills must be just as much under \$200,000 as the premium paid for public stocks. And it is equally certain, that, to establish such a bank, you withdraw \$200,000 from the people's pockets, and send it beyond their reach and out of the State, in order to obtain a cash capital of \$100,000 within the State. It is also certain, that all the specie and bills of every kind now in circulation in Vermont would not be sufficient to establish twenty such banks. The more we had of banks, the less we should have of money. This system will never answer for Vermont. How could the State stand up under such a load? The law must be modified, and better adapted to the condition of the State, where no public stocks are owned, and the farmers too cautious to mortgage their farms, or but little can be done under it. Let none despair, nor indulge a foolish hankering for banks under the present law. Vermont will come up right at last. When the law and the whole subject has been a year before the people, wisdom will devise a system, which shall be safe for the public and more favorable to banks.

AN OLD BANKER.

## BANKING IN TENNESSEE.

### I. THE BANK OF TENNESSEE.

*Extract from the Message of Governor Trosdale to the Legislature of Tennessee, October 10, 1851.* — "The Bank of Tennessee is a subject in which the State is deeply interested. It has at all times been the duty of your body to examine thoroughly into the condition of this institution. At no period in its history has such an investigation been more necessary than at the present.

"You remember that in this bank is vested the whole of the Common School Fund, and the surplus revenue on deposit with the State, together with the unexpended interest thereon; and in addition to these amounts, a sum was ordered to be raised on the faith of the State, sufficient to make the whole capital five millions of dollars; yet the capital of the bank has never reached that amount. The annual revenue of the State is likewise deposited in this bank. The Bank of Tennessee is also used as the great fiscal agent of the State. These facts show the deep interest which the people of the State have in the faithful administration of this institution, and indicate the vigilance which should be exercised by their agents over its administration. What its present condition is, and how it has been conducted for the last two years, you will learn from a report to be made by its presiding officer."

64 \*

THE BANK OF TENNESSEE. — This institution is one of the most important in the State. Its capital stock is composed entirely of funds of the State. We have examined its late report with care. It has made and paid over to the treasury, within the last two years, a net profit of \$416,799.18 on an actual capital of \$2,389,652.54. This is a very large profit, — much larger than is usually exhibited by banking institutions in Tennessee, the exports and imports of which are not so favorable to large banking profits as in the commercial and manufacturing States of the Union.

The suspended debt of the bank, or debt in suit, has been reduced, within the two years, \$94,628.75. The cash on hand is \$945,750.99; circulation, \$1,757,108, — not two to one to the actual cash in the vaults. This is a very favorable condition.

The bank has furnished the very large amount of \$4,290,639.50 in exchange to our citizens within that time.

We noticed some days ago, that the notes of the bank were quoted at Louisville at  $2\frac{1}{2}$  per cent. discount. This arose from the bank having provided no agency there to redeem them, there being very few of the notes circulating in that direction. But this was so only a few days. They are now selling at  $1\frac{3}{4}$  to 2 per cent., and scarce at that.

We observe that a resolution was introduced into the Senate on Thursday by the Senator from Hickman, to raise a committee to examine into the management of the bank "since the adjournment of the last General Assembly." It is to be presumed that this movement is, in good faith, designed to look to the interests of the State. Such examination is eminently proper, and should, in the language of the resolution, be done "with as little delay as practicable." We see no necessity, however, for departing from the ordinary usage, by raising a special committee for this purpose. Such course might be understood as an unnecessary reflection upon the standing committees of the two houses on banks, which are composed of able and respectable gentlemen of both political parties. The resolution should be referred to, and ought to be promptly acted upon, by standing committees on banks.

We have met with rumors in the streets, which might possibly excite delusive hopes with mousing politicians willing to foment prejudices against the management of the bank. This is naturally to be expected, — the bank is controlled by the popular will, — there are always *outs* who wish to get *in*. We will not prejudice that this is a mere move in party politics. Let the examination be promptly made; the management of the bank should be at all times well understood by the representatives of the people. — *Nashville Republican Banner*, October 18, 1851.

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"The notes of the Bank of Tennessee are selling at 2 and  $2\frac{1}{2}$  per cent. discount in this market. The Union and Planters' Bank notes of Tennessee are redeemed here at one per cent. discount." — *Louisville Journal*.

The fact stated above has, we perceive, caused some misapprehension. The Union and Planters' Banks have agencies for redeeming their notes at Louisville, while the Bank of Tennessee sells all her exchange at home; which latter policy has this merit

that it gives our own citizens the benefit of all her resources in furnishing exchange. Our banks, collectively, are not able to supply the demand for exchange. The policy of the stock banks sustains the circulation at Louisville of Tennessee bank paper, where but little of it circulates, but lessens their ability to furnish exchange at home. The Bank of Tennessee, being an institution of the State, is under more obligation to pursue a policy which shall give it the largest capacity to furnish exchange to the citizens of the State. So far as we know, Louisville is the only point at which the designated difference exists, and it is there more nominal than substantial, because of the smallness of Tennessee circulation at that point. The fact thus understood does not of course prejudice the Bank of Tennessee, as some have supposed.

**DEFALCATION.**—Having heard in the street some rumor of a defalcation by the teller in the Bank of Tennessee, we have made inquiry into the matter, and learn the facts to be, that in the quarterly examination at the bank, on the 1st of October, the cash account of Mr. Reid, the teller, was found to be short between seven and eight thousand dollars, and that, upon further investigation, sundry errors or omissions of entry were discovered, by which the amount will be run up to some twelve or fifteen thousand dollars.

The bank will sustain no loss,—his securities being amply able to repay largely more than the amount. He has conveyed to his securities his whole property, indemnifying them as far as it will go.

We have learned these facts with deep regret. Though Mr. Reid differs with us in politics, we have felt for him much personal respect; we sympathize with his large and helpless family, and he having been teller of the bank from its commencement, and enjoyed high reputation as a business man, we cannot but regret that he should, at an advanced period in life, become so seriously involved. — *Nashville Banner*.

## II. THE FREE BANK LAW OF TENNESSEE, ADOPTED FEBRUARY, 1851.

### *An Act to authorize and regulate the System of Banking.*

**SEC. 1. I.** Be it enacted by the General Assembly of the State of Tennessee, That any person or association of persons, having at least fifty thousand dollars of capital, is hereby authorized to carry on the business of banking, by discounting bills, notes, and other evidences of debt, by receiving deposits, by buying and selling gold and silver bullion, foreign coin, bills of exchange, and various stocks of the State of Tennessee, by lending money on real or personal security, by exercising such incidental powers as are necessary to carry on such business, and by issuing circulating notes on the following conditions:—That whenever any association of persons, formed for the purpose of banking under the provisions of this act, shall legally transfer to the Comptroller any portion of the public stocks now created, or hereafter to be created, by this State, or bonds of incorporated companies indorsed by the State, or bonds of the United States, such association shall be entitled to receive from the Comptroller an equal amount of such notes for circulation, of different denominations, registered and countersigned as hereinafter provided for, provided such public stocks shall in all cases be, or be made to be, equal to a stock producing six per cent. interest per annum, and it shall not be lawful for the Comptroller to take any such stock at a rate above its par value, or which shall not be worth upon a sale, made for gold or silver, one hundred cents on the dollar; and no association of persons shall commence the business of banking under the provisions of this act, until such association shall have deposited with the Comptroller the required securities; and the Comptroller, before he shall enter upon the discharge of any of the trusts or duties imposed upon him by this act, shall enter into bond to this State, and annually thereafter, with sufficient sureties, to be approved of by the Governor of this State, in such sum as he shall direct, with condition for the faithful performance of the trusts and duties imposed upon him by this act, which bond, being first indorsed with the approval of the Governor, shall be filed in the office of the Secretary of State. At least three fourths of the securities so deposited shall be bonds of the State of Tennessee.

II. *Coin.* — That such person or association shall not at any time, for the space of twenty days together, have on hand, at their place of business, in specie, less than ten per cent. of their circulation.

III. *State Tax.* — That they annually allow out of the accruing interest on such deposit, twenty-five cents out of each hundred dollars of their capital, to be retained by the Comptroller for the use of common schools, which sum shall be in lieu of all other taxation.

IV. *Notice.* — That, before commencing said business, such person or association make, and, after the manner of a deed of conveyance, acknowledge and cause to be registered in the office of the register of the county where said business is to be carried on, a written memorandum, specifying: —

1. The name by which the bank is to be distinguished, and to be used in all dealings, transactions, and suits, by, with, and against such person or association.
2. The place and county where the operations of discount and deposit of said bank are to be carried on.
3. The amount of capital stock, and the number of shares into which it is divided.
4. The names and places of residence of the shareholders, and the number of shares held by each; and,
5. The period at which such bank shall commence and terminate, not to exceed twenty years.

A copy of which memorandum, from the register's office, duly certified by him, shall be filed by such person or association in the office of the Secretary of State, and said memorandum, or a copy thereof duly certified either by the register or Secretary of State, may be used as evidence in all courts and places for and against such person or association.

SEC. 2. *Incorporation.* — Be it enacted, That, on complying with the conditions aforesaid, such person or association, by the name stated in the memorandum aforesaid, shall be a body politic and corporate, and have succession; be capable of suing and being sued; shall have power to make by-laws for the government of said company, and its officers and agents for the management and disposition of the stock and affairs of business of such corporation, not inconsistent with the laws of this State; may choose one of their number as president, may appoint a cashier and such other officers and agents as their business may require, and may remove such president, cashier, officers, and agents at pleasure, and appoint others in their places.

SEC. 3. *Circulation.* — Be it enacted, That the Comptroller is hereby authorized and required to cause to be engraved and printed, in the best manner to guard against counterfeiting, such quantity of circulating notes in the similitude of bank-notes in blank, of the different denominations authorized to be issued by the incorporated banks of this State, not below the denomination of one dollar, as he may from time to time deem necessary to carry into effect the provisions of this act, and of such form as he may prescribe. Such blank circulating notes shall be countersigned, numbered, and registered by the Comptroller in proper books, to be provided and kept for that purpose in the office of said Comptroller.

SEC. 4. *Circulation.* — Be it enacted, That said person or association may, after having caused said circulating notes to be executed and signed by their president, in such manner as to make them obligatory promissory notes of said bank payable on demand at their place of business in this State, lend and circulate the same as money, according to the ordinary course of banking business as regulated by the laws and usages of this State.

SEC. 5. *Penalty.* — Be it enacted, That the Comptroller shall not countersign and deliver to any such bank an amount of circulating notes exceeding in the aggregate the amount in value of the said securities so delivered to him by said bank, as provided in the first section of this act, on pain of removal from his office, and of being personally liable to any note-holder for the full amount, with interest, of any note or notes that may be lost on account of his failure to comply with the provisions of this act.

SEC. 6. *Suspension.* — Be it enacted, That in case the makers of any such circulating note or notes, countersigned and registered as aforesaid, shall at any time, on lawful demand, between the hours of ten and three o'clock, at the place where such note or notes is or are made payable, fail or refuse to redeem such note or notes in the lawful money of the United States, the holder of such note or notes, making such demand, may cause the same to be protested for non-payment by a notary public, under his seal of office, in the usual manner, and the Comptroller, on receiving and filing in

his office such protest, shall forthwith give notice in writing to the makers of such note or notes to pay the same, together with all costs of protests and other damages and charges arising out of said default, and if they shall omit so to do for ten days after such notice, the Comptroller shall thereupon, unless he shall be satisfied that there is good and legal defence against the payment of such note or notes, give notice in three or more newspapers, published in this State, that all the circulating notes issued by such association will be redeemed out of the trust fund in his hands for that purpose; and the Comptroller shall apply the trust funds belonging to the makers of such protested notes to the payment *pro rata* of all such circulating notes, whether protested or not, put in circulation by the makers of such protested notes pursuant to the provisions of this act, and the Comptroller, after the expiration of ten days, may, by and with the advice of the Governor and Attorney-General, proceed to sell at public auction the stocks or bonds, or any of them, pledged by the makers of such protested notes, and out of the proceeds of such sale pay off, as aforesaid, all the notes issued to the makers of such protested notes, or, with the advice aforesaid, may postpone such sale for a period not exceeding six months, after which he shall sell and proceed as aforesaid. All costs for protesting the circulating notes, issued by any banking association under the provisions of this act, shall be paid by the person or persons procuring the services to be performed, for which such association shall be liable to him or them, but no part of the securities deposited by such association, unless an overplus shall remain in the hands of the Comptroller, shall be applied to the payment of such costs, nor shall any thing in this act contained be considered as implying any pledge on the part of the State for any payment beyond the proper application of the securities pledged to the Comptroller. And if any bank shall be wound up under the provisions of this section, the protest of said note first protested shall constitute a lien for the benefit of the creditors of said bank upon all the assets of the bank not in the hands of the Comptroller, said lien to be enforced as other liens in this State, and any conveyance of such assets after such protest shall be void.

**SEC. 7. Damages.**—Be it enacted, That every such bank shall be liable to pay the holder of every bill or note put in circulation as money, the payment of which shall be demanded and refused, damages for non-payment thereof in lieu of interest at and after the rate of twelve per cent. per annum, from the time of such refusal until the payment of such evidence of debt and the damages thereon.

**SEC. 8. Transfer of Shares.**—Be it enacted, That shares of the capital stock of said banks shall be deemed personal property, and shall be transferable on their books, in such manner as may be determined by their rules and by-laws, and every transferee of shares shall, in proportion to his shares, succeed to all the rights and liabilities of the original shareholders.

**SEC. 9. Judgment and Execution.**—Be it enacted, That all the property of every such bank shall be liable to execution and sale, in satisfaction of any judgment or decree that may be rendered against it, and said judgment and decree shall be enforced alone against the property of the same.

**SEC. 10. Real Estate.**—Be it enacted, That every such bank may purchase, hold, and convey real estate for the following, and no other, purposes:—

1. Such as shall be necessary for immediate accommodation in the convenient transaction of business.
2. Such as shall be mortgaged to it in good faith, by way of security for loans made by or moneys due to it.
3. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings.
4. Such as it shall purchase at sale under judgments, decrees, or mortgages held by it.

**SEC. 11. Semiannual Reports.**—Be it enacted, That every such bank shall, on the first Monday of January and July in every year, after having commenced the business of banking, as prescribed by this act, make out and transmit to the Comptroller, in the form to be provided by him, a full statement of the affairs of the bank, verified by the oath of the president or cashier, which statement shall contain:—

1. The amount of the capital stock paid in, according to the provisions of this act.
2. The value of the real estate of the bank, specifying what portion is occupied by the bank as necessary to the transaction of its business.
3. The shares of stock held by said bank, whether absolutely or as collateral securi-

ty, specifying each kind and description of stock, and the number and value of shares of each.

4. The amount of debts due to the bank, specifying such as are due from moneyed or other corporations, and also specifying the amount secured by bond and mortgage or judgment, and the amount which ought to be included in the computation of losses.

5. The amount of debts due by said bank, specifying such as are payable on demand, and such as are due to moneyed or other corporations.

6. The amount of claims against the bank not acknowledged by it as debts.

7. The amount of notes, bills, or evidences of debt issued by said bank.

8. The amount of the losses of the bank, specifying whether charged on its capital or profits since its last preceding statement, and of its dividends declared and made during the same period.

9. The average amount in each month during the preceding six months of the debts due to and from the bank; the average amount of specie possessed by the same during each month, and the amount of bills and notes issued by said bank and put in circulation as money and outstanding against the bank on the first day of the preceding six months.

10. The average amount in each month during the preceding six months due to the bank from all the shareholders in the bank; also, the greatest amount due to the bank in each of the said preceding six months from all the shareholders in said bank.

SEC. 12. *Publication of Reports.* — Be it enacted, That it shall be the duty of the Comptroller to cause the statement required to be made by this section, for January of each year, to be published in a newspaper printed in the county or nearest the county where the place of business of said bank is situated, and in a paper published at the seat of government, the expense of which shall be paid by said bank, and the Comptroller shall lay said reports before the legislature at its next session

SEC. 13. *Increase of Capital, &c.* — Be it enacted, That every such person or association may receive the annual interest accruing on the bonds or other securities deposited and transferred in trust for the redemption of their circulation, except the bonus therein before reserved. The business of every bank organized under the law, and all legal proceedings by and against the same, shall be conducted in the name assumed to distinguish it, and service of process upon the president thereof, or upon any officer conducting said banking business, shall be sufficient. Any association organized under this act may increase their capital to any sum not exceeding five hundred thousand dollars, and the number of their associates at their pleasure, in which case a memorandum thereof shall be executed, registered, and deposited in the same manner as is hereinbefore provided for the original memorandum of the association.

SEC. 14. *State Bonds.* — Be it enacted, That the bonds of the State of Tennessee when deposited, as hereinbefore provided, by the holder thereof, to avail themselves of the privileges herein granted, shall thereafter become payable at Nashville, and likewise the annual interest accruing thereon. *Provided,* That should any such bank be hereafter wound up under the provisions of this act, and the securities deposited with the Comptroller should be sold, as herein provided, then the interest on the bonds of Tennessee, so sold, shall thereafter be payable where the said bonds are made payable.

SEC. 15. *Amendments.* — Be it enacted, That the legislature reserves the right to amend, alter, or repeal this act, in such manner, however, as shall do no injury to the corporations, nor destroy any vested right acquired by them; nor shall such repeal take away or impair any remedy which has been given against such company, its stockholders, or officers, for any liability which shall have been incurred.

SEC. 16. *Incidental Expenses.* — Be it enacted, That the corporators pay the Comptroller a reasonable compensation for his services, and in the event of a disagreement between the Comptroller and the corporators, as to the said compensation, the presidents of the Union and Planters' Bank and of the Bank of Tennessee shall fix the amount to be paid.

JORDAN STOKES,  
*Speaker of the House of Representatives.*

M. R. HILL,  
*Speaker of the Senate.*

Passed February 12, 1852.

## III. BANK HOLIDAYS IN TENNESSEE.

*An Act to designate the Holidays to be observed in the Acceptance and Payment of Bills of Exchange and Promissory Notes.*

Sec. 1. Be it enacted by the General Assembly of the State of Tennessee, That the following days, to wit, the first day of January, commonly called New Year's Day, the fourth day of July, the twenty-fifth day of December, commonly called Christmas Day, and any day appointed or recommended by the Governor of this State, or the President of the United States, as a day of fast or thanksgiving, shall, for all purposes whatever, as regards the presentment for payment or acceptance, and the protesting and giving notice of the dishonor of bills of exchange, bank-checks, and promissory notes, made after the passage of this act, be treated and considered as is the first day of the week, commonly called Sunday.

Sec. 2. Days of grace shall not be allowed upon bills of exchange payable at sight.  
Passed November 21, 1851.

## BANKING IN ILLINOIS.

WE have heretofore published a full synopsis of the general banking law of Illinois. The following interpretation of some of its provisions, in answer to inquiries by Mr. Thompson of the Bank-Note Reporter, however, is of interest:—

J. THOMPSON, New York:— *Auditor's Office, Springfield, Jan. 21, 1852.*

Sir,—Your communication, soliciting answers to certain questions relative to the banking law of this State, has been received, and in replying thereto, I state your questions, and give answers as follows:—

Ques. 1.—“Will it be required that ‘Individual Bankers’ have any specified amount of capital?”

Ans. 1.—The law makes no distinction between Individual Bankers and Associations, and no specified amount of specie capital is required.

Ques. 2.—“Will it be required that he be a resident of your State?”

Ans. 2.—I do not find any thing in the law requiring that bankers shall reside in the State.

Ques. 3.—“What amount of stocks must he deposit to commence receiving circulating notes?”

Ans. 3.—Not less than fifty thousand dollars.

Ques. 4.—“Will such circulating notes require the signature of both president and cashier?”

Ans. 4.—Sec. 11 requires the signature of both president and cashier.

Ques. 5.—“How much specie does the law require to be kept by the bank on the \$100,000 of circulation? or what percentage?”

Ans. 5.—The law does not require any specified amount.

Ques. 6.—“If circulating notes should be protested, must the holder deposit them with the Auditor before you notify the banker? and how long can the holder retain such protested notes out of the hands of the Auditor, and draw 12½ per cent. interest?”

Ans. 6.—I am of the opinion that the law does not require the notes to be deposited with the Auditor, and that the holder could not claim damages after he had notice of the ability of the bank to pay.

Ques. 7.—“What time after giving notice that notes are protested and lodged in your hands, would the banker be allowed to pay the same? and if paid within the time, would he be liable to have his banking business interfered with by any legal tribunal for the single cause of having had his notes protested?”

Ans. 7.—The 26th section provides that the Auditor shall, immediately after the bank has been notified to pay any note that may have been protested, proceed to adopt measures to pay the liabilities of the bank, and prohibit the officers from having any power to transact business.

Ques. 8.—“Is it necessary for an ‘Individual Banker’ to file a certificate such as is required by sec. 7 of the act?”

Ans. 8.—It is.

Ques. 9.—“How must the circulating note of an ‘Individual Banker’ read?”

Ans. 9.—The same as those of Associations.

THOS. H. CAMPBELL, Auditor.



**BANK OF THE UNITED STATES.**—A meeting of the stockholders of the Pennsylvania Bank of the United States was held at Philadelphia, March 17, at which the following resolutions were adopted by a large majority:—

*Resolved*, That the directors of the Bank of the United States be, and they are hereby, required and enjoined, in the corporate name and under the corporate seal of the President and Directors and Company of the Bank of the United States, forthwith to meet and execute a general assignment of the real and personal estate, goods, chattels, rights and credits, whatsoever and wheresoever, of the said corporation to five trustees, and to do all such acts as shall be necessary to give full possession of the assigned estate and effects to the said trustees so elected upon the trusts of the said assignment.

*Resolved*, That a majority of the said five trustees shall have power to act at all times in the execution of the said trust, and the said trustees and their successors shall not be required to give security for faithful performance of their duty until otherwise determined by the stockholders of the said bank.

*Resolved*, In case of the death, refusal, or other inability of one or more of the said trustees to act, that the remaining trustees be, and they are hereby, authorized to nominate to the Court of Common Pleas of Philadelphia County a suitable person or persons to fill any such vacancy or vacancies.

At a meeting of the stockholders on the 18th, A. W. Schwab, Milton C. Rogers, James Cooper, Charles Macalester, and Daniel Humphreys were elected trustees, under the resolution which requires an assignment to be made of the effects of the bank. In the report of the committee who recommended the action which was taken, it is stated that they have prepared a bill, which is now before the legislature of Pennsylvania, which provides for closing the trusts, and effecting a speedy distribution of the assets of the bank.

## BANK STATISTICS.

### RHODE ISLAND.

#### *Condensed Statement of the Banks of Providence, Sept. 8, 1851.*

LIABILITIES.	Capital.	Circulation.	Deposits.	Due Banks.	Profits.
American Bank, . . . .	\$ 727,600	\$ 88,788	\$ 48,128	\$ 9,263	\$ 35,552
Arcade Bank, . . . .	500,000	76,604	72,640	12,654	16,273
Bank of America, . . . .	80,000	30,697	2,560	. . .	1,575
Bank of Commerce, . . . .	239,360	36,257	45,533	. . .	7,350
Blackstone Canal Bank, . . . .	500,000	254,800	124,853	15,834	36,440
City Bank, . . . .	200,000	61,885	47,915	3,903	21,690
Commercial Bank, . . . .	424,900	54,043	62,660	. . .	19,075
Eagle Bank, . . . .	495,200	64,360	37,124	9,378	15,594
Exchange Bank, . . . .	500,000	58,000	41,044	23,096	27,513
Globe Bank, . . . .	485,850	49,938	61,245	33,376	22,743
High Street Bank, . . . .	120,000	43,480	27,773	5,530	4,522
Manufacturers' Bank, . . . .	500,000	67,273	58,450	20,594	31,074
Mechanics and Manufacturers', . . . .	186,150	36,941	45,170	770	16,923
Mechanics' Bank, . . . .	500,000	59,123	27,488	14,496	14,670
Merchants' Bank, . . . .	500,000	26,778	28,078	556,030	27,347
National Bank, . . . .	140,000	136,328	55,360	4,663	7,400
Bank of North America, . . . .	500,000	56,800	60,048	963	15,894
Pawtuxet Bank, . . . .	150,000	45,436	21,866	. . .	12,433
Phoenix Bank, . . . .	300,000	90,463	71,810	2,395	35,103
Providence Bank, . . . .	500,000	126,800	92,075	45,099	142,307
Roger Williams Bank, . . . .	499,950	62,033	109,067	19,646	43,000
State Bank, . . . .	117,950	82,234	22,598	480	4,007
Traders' Bank, . . . .	200,000	56,478	39,953	7,848	11,470
Union Bank, . . . .	500,000	58,870	36,314	21,343	13,456
Weybosset Bank, . . . .	400,000	44,912	41,840	24,366	3,151
Lime Rock Bank, . . . .	151,850	61,622	40,350	65	3,716
Total Providence banks, . . . .	\$ 9,418,810	\$ 1,834,940	\$ 1,321,940	\$ 831,900	\$ 592,776

Resources.	Loans.	Specie.	Bank- Notes, &c. †	Miscellaneous.	Last Dividend.
American Bank, . . . . .	\$ 871,886	\$ 10,006	\$ 15,046	\$ 12,513	May, 3‡
Arcade Bank, . . . . .	660,243	5,100	12,827	. . .	July, 4
Bank of America, . . . . .	96,982	2,100	17,053	. . .	
Bank of Commerce, . . . . .	308,572	2,000	20,426	. . .	
Blackstone Canal Bank, . . . . .	785,256	10,800	113,870	* 24,000	July, 3
City Bank, . . . . .	309,303	1,164	8,654	* 16,273	July, 4
Commercial Bank, . . . . .	560,740	4,937	4,004	. . .	July, 4
Eagle Bank, . . . . .	613,476	2,003	6,078	100	May, 3‡
Exchange Bank, . . . . .	588,217	3,433	8,006	* 50,000	July, 3‡
Globe Bank, . . . . .	647,307	1,764	4,081	. . .	May, 3‡
High Street Bank, . . . . .	190,560	3,630	2,514	* 4,600	July, 4
Manufacturers' Bank, . . . . .	659,306	13,745	2,015	* 2,316	April, 3‡
Mechanics and Manufacturers', . . . . .	234,150	2,300	6,150	† 43,513	July, 2
Mechanics' Bank, . . . . .	568,956	5,111	18,915	† 22,793	June, 3‡
Merchants' Bank, . . . . .	594,744	28,151	487,136	* 28,200	May, 4
National Bank, . . . . .	270,276	6,975	66,998	. . .	July, 5
Bank of North America, . . . . .	605,927	7,926	18,467	1,394	July, 3‡
Pawtuxet Bank, . . . . .	220,066	1,910	7,770	. . .	Aug., 4
Phenix Bank, . . . . .	458,914	2,913	11,193	26,650	May, 4
Providence Bank, . . . . .	834,440	23,236	37,103	* 14,000	April, 4
Roger Williams Bank, . . . . .	662,298	20,016	37,422	* 14,000	Sept., 3‡
State Bank, . . . . .	210,374	1,890	15,034	. . .	April, 4
Traders' Bank, . . . . .	309,070	1,573	4,940	168	June, 4
Union Bank, . . . . .	595,072	11,232	12,200	* 11,430	June, 3‡
Weybosset Bank, . . . . .	506,270	3,357	5,640	. . .	Aug., 3‡
Lime Rock Bank, . . . . .	246,823	403	10,378	. . .	July, 3‡
Total resources, . . . . .	\$ 12,597,208	\$ 177,075	\$ 953,920	\$ 271,990	

*Comparative Condition of the Banks of Rhode Island in the Years  
1845, 1846, 1848, 1849, and September, 1851.*

Compiled for the Bankers' Magazine from the Official Report.

LIABILITIES.	Oct., 1845.	May, 1846.	May, 1848.	May, 1849.	Sept., 1851.
Capital, . . . . .	\$ 10,324,127	\$ 10,548,690	\$ 11,095,202	\$ 11,240,306	\$ 12,906,160
Circulation, . . . . .	2,670,308	2,907,491	2,698,496	2,543,444	3,030,601
Deposits, . . . . .	1,495,510	1,348,862	1,373,826	1,441,668	1,874,856
Bank balances, . . . . .	623,562	757,058	620,323	488,900	934,211
Net profits, . . . . .	473,366	510,144	632,818	659,460	782,623
Dividends unpaid, . . . . .	28,970	26,006	26,506	34,894	42,856
Total liabilities, . . . . .	\$ 15,615,841	\$ 16,098,251	\$ 16,447,170	\$ 16,408,672	\$ 19,621,307
Resources.	Oct., 1845.	May, 1846.	May, 1848.	May, 1849.	Sept., 1851.
Loans, . . . . .	\$ 13,714,266	\$ 14,122,973	\$ 14,501,940	\$ 14,684,678	\$ 17,691,665
Specie on hand, . . . . .	283,380	280,470	320,580	262,908	277,705
Notes of other banks, . . . . .	395,425	460,754	532,936	451,364	11,255,330
Bank balances, . . . . .	671,880	694,040	564,160	539,452	. . .
Bank stock, collateral, . . . . .	79,757	48,485	57,980	79,310	. . .
Stocks of other banks, &c., . . . . .	192,764	202,050	221,716	145,490	. . .
Real estate, . . . . .	262,490	259,704	231,752	232,414	. . .
Miscellaneous, . . . . .	25,890	29,775	16,126	12,856	496,607
Total resources, . . . . .	\$ 15,615,841	\$ 16,098,251	\$ 16,447,170	\$ 16,408,672	\$ 19,621,307

The official "Abstract exhibiting the condition of the Banks of Rhode Island" for 1851, is full of errors: some of importance, others of less note. The aggregates especially are so erroneous, that no correct table can be prepared from them. — ED. B. M.

\* Real estate.

† Mostly real estate.

‡ Including notes of other banks and balances against them.

VOL. I.

65

## LAWSON'S HISTORY OF BANKING.

## CHAPTER VII.

## ON LONDON BANKING.

*Charles the First seizes the Money of the Goldsmiths lodged in the Mint. — Some Account of the London Goldsmiths, Successors to the Lombards. — Various Proposals for the Formation of Banks made to Cromwell. — Arbitrary Seizure of the Money of the Bankers by Charles the Second. — List of Bankers ruined by the King. — The Corporation of London attempt to form a Bank. — Some Account of the City Orphans' Fund. — Formation of the Million Bank. — Attempt to form a Land Bank. — An Account of the South Sea Scheme, and other Fraudulent Projects. — A short Memoir of Thomas Guy. — Some Account of the Early London Bankers, and the Nature of the Business carried on by them. — Reasons for the Exclusion of Joint Stock Banks from the Clearing-House. — Causes which led to the Establishment of the Clearing-House, and a Description of the Business carried on there. — First Official List of London Bankers. — Some Account of the celebrated Peter Thellusson, and his extraordinary Will. — Anecdotes of London Bankers. — Account of Fauntleroy and Rowland Stephenson. — General Importance of the Banking Interest, with an Average of their Deposits. — The Profits of London Bankers, and whence derived. — Causes which operate against the Increase of the Profits of Private Bankers.*

ABOUT the early part of the seventeenth century the business of banking in England changed hands. The Lombards, who had succeeded the Jews, an account of whom has been found in our second chapter, were in their turn superseded by the goldsmiths. The change consisted in the lending of money by the latter on personal credit, and at a moderate rate of interest compared with that charged by their predecessors. They also issued promissory notes, payable on demand and at fixed periods, bearing interest. Such notes were called "goldsmiths' notes." They do not appear to have attracted any marked public attention, like the Jews and Lombards; the earliest notice of their existence as a class is to be discovered in the circumstance of their having been robbed by the monarch.

The Royal Mint, which was at that time in the Tower of London, was used as a place of security for the deposit of the surplus cash of the bankers and merchants. Charles the First, having been refused a loan by the city of London, seized the money lodged in the Mint, which at that time amounted to £200,000, and which money the bankers, many of whom were ruined, were compelled by royal authority to consider as a loan. It is needless to add, that, from that period, no further sums of money belonging to the public were lodged in the Mint.

During the Civil War nearly all the surplus money found its way into the hands of the goldsmiths, whose sole business prior to that time had been to buy and sell plate, and foreign coins of gold and silver, to supply the refiners, plate-makers, and goldsmiths. They now began to lend money in encouraging mercantile operations; and subsequently

such business was conducted by houses who confined themselves exclusively to banking, and the system they adopted was in many respects similar to that now pursued by the private bankers of London.

When the affairs of the nation became settled under the Commonwealth, the number of bankers increased considerably. They received the rents of the landed gentry, which added largely to their disposable capital; and, as there was little demand for money for commercial purposes, they lent money to individuals without security. The plan of paying orders on bankers to the bearer on demand had now become a common practice.

The author of the "Mystery of the New Fashioned Goldsmiths, or Bankers," remarks, that "the receiving and paying of money from morning till night in an open shop is an innovation"; and he appears by no means to be friendly to its introduction.

Sir Josiah Child, in his "Discourse on Trade," was equally opposed to it. He attacks the bankers in various parts of his book, inveighing against what he calls this "innovated practice of banking," which, he states, "obstructs circulation, advances usury, and renders it so easy, that most men, as soon as they can make a sum of fifty or one hundred pounds, send it to the goldsmiths, which doth and will occasion, while it lasts, that fatal, pressing necessity for money so visible throughout the whole kingdom, both to prince and people."

These opinions appear to us to be quite inexplicable; yet we insert them, as showing the sentiments of one of the earliest public writers on the subject of the circulation of capital through the medium of banks, and how little the system at that time was understood.

In Stow's "Survey of London," printed in 1598, and enlarged in 1633, there is an account of the London goldsmiths, by which it appears they were then the most wealthy and principal men of the city. Their place of business, previous to the fire of London, was by authority confined to Cheapside. Stow describes their houses as follows:—

"The most beautifulle frame of faire houses and shops that be within the wals of London or elsewhere in England, commonly called 'Goldsmiths' Row,' betwixt Bread Streete end and the Crosse in Cheape; but is within the Bread Streete ward. The same was builded by Thomas Wood, goldsmith, one of the sheriffs of London in 1491. I counted ten dwelling-houses and fourteen shops, all in one frame, uniformly builded four stories high; beautified towards the streete with the goldsmiths' arms, and the likenesse of wood men, in memory of his name, riding on monstrous beasts, all which is cut in lead, richly painted over and gilt. These he gave to the goldsmiths, with stockes of money to be lent to young men having these shops," &c.

At the fire of London these houses were all destroyed, and the goldsmiths settled in Lombard Street. The wants of the community, in connection with banking operations, had, about the time of the Commonwealth, become so great, that the press of the country teemed with proposals for new banks, loan societies, and assurance companies.

We propose to describe, in a condensed form, some of the most prominent banking and other projects which for half a century occupied public attention, and made the task of founding the Bank of England comparatively easy to the projectors. Many "charity banks," and

Lombards, or Lombard-houses, now commonly called pawnbrokers, were projected. "The making transferable all promissory notes between man and man" was recommended by William Potter in his "Key of Wealth."

Henry Robinson advocated the creation of a Land Bank, in which all payments above twenty pounds should be made in bank credit; and that, besides the principal bank in London, there should be one hundred subordinate banks in different parts of England, all centring in the said capital bank of London, wherein, for the support of the credit thereof, a general mortgage of lands was proposed, for which the mortgager should have credit in bank to the value of his land. The condition of such mortgage should be, either to pay so much money, with interest at six per cent., within a year from the day that bank credit should any way fail to be current, or, in default of such payment, the said mortgaged lands to be forfeited without redemption, and to be divided amongst the proprietors of the credit in bank. Others proposed banks on the plan of that of Amsterdam; others, a general register of houses and ships as well as of land; a court of merchants for the summary recovery of all debts; also some very ill-judged projects for uniting into corporations all merchants trading into any one country, for the sake of what they call "uniformity of trade."

Samuel Lamb, one of the most eminent London merchants at the time of Charles the First, warmly espoused the subject of public banks, and, during the Commonwealth, presented an "humble address to his Highness the Lord Protector," wherein he described the great advantages the Hollanders derived from banks, and the disadvantages England labored under in their absence. The following reasons, which were embodied in the petition, appear to us to be so prophetic as to deserve to be recorded:—

"The good that we may do ourselves by banks, if settled in England, are many; for no nation ever made use of them but they flourished and thrived accordingly.

"Imprimis: they will, by well ordering them, bring back the gold and silver which hath been drained out of this land by the Hollanders' banks, and by other princes raising the value thereof in their dominions.

"They will much increase the stock of this land, which will wonderfully increase all manner of trade, and will bring in that excellent transferring trade, and make England the staple of all foreign commodities, as Holland is at this time, and has been since they had the use of banks, who have nothing considerable of their own growth and manufactures, yet have the staple of all commerce, as a rich treasure in money and jewels, all materials for shipping, and even all manner of clothing, and the granary and vineyard of Europe, with which commodities they furnish most countries, and which England may also do.

"They will increase and much encourage the fishery of this nation, and breed up in that employment many thousands of seamen, which will find employment in the East Indies' Streights, and other voyages into other parts of the world.

"They will increase the warlike trading shipping and mariners of this nation, which will much strengthen us against our enemies.

"They will also much increase the revenues and customs of the land by increasing credit.

"They will wonderfully employ the poor of this land, and increase the natural manufacture thereof, and make us capable to buy or sell at home or abroad.

"They will make the English capable to engross the commodity of any country, and withhold it from another that may be at enmity with us to whom the said commodity may be useful to our prejudice, and also make our own price of it.

"They will increase trade in our plantations, and cause ships to be built in New England as good or better than any built in Holland.

"They will furnish factors in England with credit to pay customs and charges of a great cargo of goods, which may on a sudden be conveyed to them; for many times such English factors may be of good estate and credit, yet have not always a great cash lying by them for such uses, though the Dutch are seldom without it; therefore may oftentimes be forced to strain their credit to take up money at interest, or sell all or part of such goods at under-rate for want thereof, which may be a great prejudice to themselves and loss to their principals, and is believed causes many such great commissions to be carried from the English and consigned to the Dutch residing in England, to their great benefit and advantage, and loss and prejudice to the English nation.

"They will increase trade in Ireland, which will people that island, and increase the revenue thereof.

"They will furnish many young men with stock that have by their industry and well-spent time, and travels in their apprenticeships, gained good experience in foreign traffic.

"They will preserve many good men from failing and losing their credit, and many others, which trial and experience will daily discover; as quick and easie paying bills of exchange, foreign or domestick, and all other payments; preventing fraudulent payments in counterfeit or clipt coyn or mis-telling money; rectifying errors in accounts which occasion law suits; preventing theft and breaking open houses where money is suspected to be; and robbing in the high ways graziers, carriers, or others that used to carry money from fairs and other places, which may be returned by assignment in bank. Whereas now the several hundreds in many places are forced to guard such as carry money for fear of their being robbed, and such hundreds paying them the money they lost, as it hath often fallen out of late time.

"Lastly, a bank with a certain number of sufficient men of estate and credit, joined together in a joynt stock, being as it were the general cashkeepers or treasurers of the place where they are settled, and divers others, tending much to the tranquility of your highness and the welfare of the English nation, which, with your highness's favourable encouragement, I shall in all humility be ready to make known to you, and remove any objections as can be alledged in the premises, and propound a way how it may be effected, and the evils remedied and prevented, being unwilling to bury the talent in a napkin which it hath pleased the Giver of all blessings in his great goodness and mercie to bestow upon me, hoping that I shall not offend by tendering this with my best services to your highness."

It appears by the Rolls of Parliament, that, two years after the presentation of the above address to Cromwell, Samuel Lamb petitioned the House of Commons on the subject of his proposal for a bank; and that on Friday, the 4th of March, 1658, the petition was referred to a committee; but it does not subsequently appear that any report was made thereon, or any steps taken to forward his views.

1651. In the year 1651, there appeared the following "Humble Proposal to the Honorable Council of Trade, and all Merchants and others who desire to improve their Estates," which, if enacted by Parliament, "would, as with due submission is conceived, conduce to advance trade, imploy the poor, diminish interest, improve publique revenue, prevent the cruelty of creditors and the injustice of debtors, tending likewise speedily to promote the enterprise discovered in a late treatise, entitled 'The Key of Wealth.'"

This proposal had reference to a bank of credit, in which bills of exchange were to be the principal circulating medium.

1665. In the year 1665, a very elaborate account of the "Office of Credit" appeared. The author endeavors to remove what he calls two vulgar errors, viz. "That credit in bank is only current because men

can have money when they will"; and further, "that without money no trade can be managed." At the end of the work there is a summary of the whole; the author's main object, as he himself states, is satisfactorily to answer the objections, "that men will have money and not credit."

1667. In the year 1667, what in commercial phraseology is called a run on the bankers, and probably the first of its kind, occurred. It is thus alluded to by Pepys in his "Diary," Vol. II. p. 67:—"W. Hewer hath been at the bankers, and hath got £500 out of Backewell's hands of his own money; but they are so called upon they will be all broke, hundreds coming to them for money. And they answer him, 'It is payable at twenty days; when the days are out we will pay you'; and those that are not so, they make tell over their money and make their bags false, on purpose to give cause to retail it, and so spend time." This event in a great measure lessened their credit, which was afterwards entirely destroyed by the seizure of their money by King Charles the Second.

1672. In the early part of the year 1672, King Charles suspended all payments to the bankers out of the Exchequer, which was considered one of the worst acts of this profligate king's reign; and, as the result was far more disastrous than the act of his father, which we have recorded, the following circumstantial detail of the transaction, which we have condensed from the Rolls of Parliament and other public records, may prove interesting.

The king being much distressed for money, and despairing of obtaining any from the House of Commons, declared in a private meeting with his ministers, that, if any one of them could invent a method how to raise about £1,500,000 without a Parliament, he should have the "White Staff," or, in other words, the Lord Treasurer's place. On the day following, Lord Ashley told Sir Thomas Clifford, *in confidence*, "that there was a way to supply the king immediately with such a sum; but it was hazardous to put it in practice, and might draw a train of ill consequences along with it, by inflaming both the Parliament and the people." Sir Thomas was impatient to know the secret, "being bold and courageous, entirely in the French and Popish interest, and pleased with any thing that might render the king unpopular with the Parliament." Therefore, to discover the project, he plied his Lordship with wine to excess, and then led the conversation to the subject of the king's wants. Lord Ashley unguardedly dropped the important secret.

Sir Thomas immediately took the hint, left his Lordship, and went directly to the king, and falling on his knees he demanded the White Staff, according to promise. His Majesty cried out, "Odds fish! I'll be as good as my word, if you can find the money." Sir Thomas then informed the king that the bankers had £1,500,000 in his Majesty's Exchequer, which money he had an opportunity of seizing, by closing the Exchequer and refusing to pay the bankers. The king readily agreed to the project; and at a Privy Council, held on the 2d of January, 1672, his Majesty being present, Sir Thomas Clifford proposed,—

"That as the king must have money to carry on the war against Holland, in which

his honor was engaged, he knew of no other means at present than shutting up the Exchequer. He desired none would speak against it without proposing some method more certain and expeditious." The king, after many apologies for this bold step, declared that "it should only be for the space of one whole year, ending the last day of December next; and then no new orders shall intervene to break the course of such payments."

This conduct of the king filled every one with consternation and dismay. Many hesitated not to say that the crown had published its own bankruptcy. The money thus forcibly seized did, in point of fact, belong to the trading community; and the failure of the bankers, which was the natural result, caused, for a time, a general suspension of all monetary transactions. Sir Thomas Clifford, for his services in the affair, was, according to the promise of the king, made Lord High Treasurer and a peer.

To understand fully this act of injustice and robbery, it is necessary to state that the bankers, after the seizure of their money at the Mint, were in the habit of depositing in the Exchequer the surplus of their floating capital not required in their ordinary transactions, and the custom was to withdraw the money once a week, to enable the bankers to meet the demands of their customers; the suspension, therefore, of the usual weekly payments involved both bankers and customers in one common ruin.

Within seven days after this gross act of robbery had been committed, Lord Arlington, one of the Council, in a letter to the Earl of Sunderland, then in Spain, gave the following account of the result of the transaction:—

"The distempers have continued in the town, and the angry discourses about them; but his Majesty having yesterday convened the bankers before him at the Treasury, after many kind and confident assurances given them that he would punctually satisfy his debt to them, either out of what the Parliament should give him the next session or out of his own revenues, he told them he likewise required of them that, without delay, they should take off the stop they had made of paying the merchants their current cash, which lay deposited in their hands, not to be lent to his occasions, or for interest, but for the security of keeping it, because indeed the stop of this was the occasion of the great clamor; the merchants not daring, or being able, to accept, or pay any bills of exchange, drive their trade abroad, or clear their ships at the custom-house at home. After many things the king said to them, and very handsomely, upon this subject, they all went away better satisfied, promising his Majesty that they would this day begin their payments to the merchants, which I hear they have accordingly done, and upon it the discontent is already visibly appeased, so that we do not doubt but in a few days it will quite wear out."

Numerous addresses and petitions were presented to the king on the subject, nearly all of them filled with the most fulsome flattery. We extract from one of them, which was by an officer in the army, the following passages:—

"There are many persons concerned now with the bankers whose fathers, husbands, and children, and other relations, have assisted the crown of England with their dearest lives and fortunes; nay, there are several now surviving which do yet bear in their bodies the scars and glorious marks of their loyalty; and shall we imagine that our Cæsar, a prince of such eminent clemency and justice, will suffer these persons and their families to starve for want of that which is their own?"

"I am confident his Majesty's royal bowels yearn with compassion towards us. Neither is the delay of payment hitherto any defect in his Majesty's innate justice, but an excrescence, and an unhappy superfetation of the first pernicious counsel of shutting up the Exchequer. To think otherwise were to blaspheme the greatest sweetness



of nature in the world, and to profane that illustrious prince of whom no man ever yet formed a thought but his mind was presently filled with the idea of all that is great and just; for the king's honor and justice, like a rock of diamonds, remains still impenetrable."

None of these appeals made any impression on the king or his worthless ministers, who could scarcely be prevailed on to listen to the complaints of so many ruined families. The king, in a private declaration, stated "that, although, contrary to his inclination, he had been obliged to cause a stop to be made as to the principal money, he would punctually pay it hereafter; in the mean time he would allow six per cent. interest for the money." Subsequently, at a council held at Whitehall, at which the king was present, he caused the following public declaration to be printed and circulated among the bankers and their creditors:—

"Whereas his Majesty in council was graciously pleased in the month of February last past to declare, that he would assign and set apart so much of that branch of his revenue as by act of Parliament is made hereditary and perpetual, to the payment and satisfaction of the Goldsmiths' debt; and whereas, in pursuance thereof, his Majesty hath secured to the Goldsmiths their debts on the said revenues by letters patent granted to them respectively, under the great seal of England; and his Majesty, having in the said letters patent provided for the security of such of his subjects as have trusted the said Goldsmiths, doth think fit to order, and it is hereby ordered, that the said letters patent shall be forthwith printed and made public for the information and satisfaction of all those who are concerned."

The following are the names of the principal bankers whose money was seized, and to whom letters were granted, covenanting to pay interest after the rate of six per cent., payable quarterly:—

	Principal.			Interest.		
	£	s.	d.	£	s.	d.
Sir Robert Vyner, of London, Goldsmith, . .	416,724	13	1½	25,003	9	4
Edward Backwell, " Esquire, . .	295,994	16	6	17,759	13	8
Gilbert Whitehall, " Goldsmith, . .	248,866	3	5	14,931	19	4
Joseph Horneby, " " . .	22,548	5	6	1,352	17	10
George Snell, " " . .	10,894	14	5	653	13	6
Bernard Turner, " " . .	16,275	9	8	976	10	6
Jeremiah Snow, " " . .	59,780	18	8	3,586	17	0
John Lyndsey, " " as due to } Dorothy his wife, administratrix to John Col-	85,832	17	2	5,149	17	4
ville, her late husband, deceased,						
Robert Welstede, of London, Goldsmith, . .	11,307	12	1	678	9	0
Thomas Rowe, " " . .	17,615	17	8	1,056	19	0
John Portman, " " . .	76,760	18	2	4,605	13	0
John Collier, " " . .	1,784	6	4	107	1	1

Upon this subject Sir William Temple, in his *Miscellanies*, makes the following remarks:—"The credit of our Exchequer is irrevocably gone by the last breach with the bankers. For credit is gained by custom, and seldom recovers a stain. I have heard a great example given of this that happened upon the late King Charles the First seizing £200,000 in the Mint, which had then the credit of a bank, and for several years had been the treasury of all the vast payments transmitted from Spain and Flanders; but after this invasion of it, although the king paid back the money in a few months, the Mint has never since recovered its credit among foreign merchants."

The sum of which the bankers were defrauded amounted to £1,328,526,

and the king by letters patent charged his hereditary revenue with the interest on that sum at six per cent., amounting to £ 79,711 11s. 2d. per annum, which was paid for a few years and then suspended. After vainly endeavoring to interest the legislature on their behalf, these unfortunate creditors were at last obliged to maintain their right before the Court of Exchequer.

The suit was protracted for above twelve years, when, in the year 1697, judgment was obtained against the crown. An appeal was made against this decision by the Attorney-General of the day to the celebrated Lord Chancellor Somers, by which it appears that "there was due to Sir Robert Vyner £ 416,724 13s. 1½d. In consideration whereof the king granted him £ 25,003 9s. 4d. per annum out of the rents, revenues, and profits which should arise or become due or payable to the king, his heirs and successors, out of, from, or by reason of the duty of excise payable quarterly; in trust for such of his creditors as, within a year after the date of the letters patent, should deliver up their securities, and accept assignments of proportionable parts of the said yearly sum in satisfaction of their debts respectively due, and in the mean time should not sue Sir R. Vyner."

The decision of the Court of Exchequer was set aside by Lord Chancellor Somers, although ten out of the twelve judges whom he had called to his assistance were of a different opinion. In giving judgment, his Lordship cited several cases wherein the kings of England had been indebted to the subject, and the mode adopted by the creditors was by petition to the king. "But in this case," adds his Lordship, "the sureties pass by the king and come directly to the Barons of the Exchequer, who proceed to act without being authorized by the Great Seal, as in former cases, and command their superior officers, who, according to the precedents, ought to have been authorized together with them to have done their respective parts for their relief of the petitioners. But to suppose a power lodged in the Barons of the Exchequer to issue writs requiring the Lord Treasurer, or the Treasurer of the Exchequer, to do their duty, is to suppose a direct absurdity in the original institution of the Exchequer, since it is to invest the Barons who are subordinate with a right of commanding their superior officers."

The cause was at last carried by appeal to the House of Lords, by whom the decree of the Chancellor was reversed; and the patentees would have received the amount of their accumulated interest, had not an act passed in 1699, by which in lieu thereof it was enacted that, after the 25th of December, 1705, the hereditary revenues of the excise should stand charged with the annual payment of three per cent. of the principal sum contained in the letters patent, subject, however, to be redeemed upon the payment of a moiety thereof, or £ 664,263.

The reader will naturally be anxious to know the amount of the loss which the bankers ultimately sustained in consequence of these proceedings. The account is as follows:—

	£	s.	d.
To the original sum stopped in the Exchequer in 1672, . . . . .	1,328,526	0	0
To 25 years' interest at six per cent., . . . . .	1,992,787	10	0
	<hr/>		
	£ 3,321,313	10	0

As by the above act the demand of the bankers was reduced to the sum of £ 664,263, it follows that their loss amounted to £ 2,697,050 10s. The above sum of £ 664,263 is the first item in our present national debt, and indeed is the only portion of it that was contracted prior to the Revolution.

1678. In the year 1678, there appeared proposals to the king and Parliament for a large model of a bank, "showing how a fund may be made without much charge, or any hazard, that may give out bills of credit to a vast extent, that all Europe will accept of rather than money"; together with some general proposals in order to obtain an act of Parliament for the establishment of the bank.

1680. In the year 1680, a proposal was made by Robert Murray, for a National Bank, to be based on land or other valuable securities. This author prefaces his scheme by stating that, "though it may be objected that banks are not safe under a monarchy" (he refers to the seizure of the money of the bankers by Charles the First), yet such objections hold only in countries under the dominion of an absolute and despotic prince, and not where the laws are clearly defined, and every man is preserved in his person and property.

1682. In the year 1682 proposals were issued for the establishing of national banks; "whereby the profit in usury will supply his Majesty more plentifully than ever to carry on the war, exempt the nation from land tax, great customs, exceedingly promote trade and navigation, and give England many other advantages."

In the same year as the above was published an account of the "corporation credit, or a bank of credit, made current by common consent in London, more useful and safe than money." This bank, as appears by a proclamation, was framed on the recommendation of a committee of aldermen, who ordered the following advertisement to be circulated:—

"All persons that are desirous to subscribe may come either to Garraways, Jonathans, Kemps, or the Amsterdam Coffee-Houses near Temple Bar, Peter's Coffee-House in Covent Garden, and Men's Coffee-House at Charing Cross; at all which places books shall lie ready, and persons attend from ten to twelve in the morning, and from five to seven in the evening, every week-day, for that purpose, and to answer objections, if there are any made, by such as do not understand, or are not so well satisfied about the usefulness and advantages of the bank of credit unto all, as the same is set forth in a printed paper called 'England's Interest, or the Great Benefit to Trade by Banks or Offices of Credit in London.'"

The paper referred to in this advertisement, which is of great length, commences thus:—

"Whereas divers aldermen and commons, being thereto appointed, as a committee, by the lord mayor, aldermen, and commons in common council assembled, have thoroughly weighed and considered the great benefits to trade by banks of credit, and there being by the subscription of many considerable and wealthy inhabitants provided a fund more substantial than any banks abroad, for the establishing an office of credit under the care and management of trustees to be chosen out of the said subscribers,—'t is thought convenient to publish a short account of the nature, use, and advantages of the said office of credit," &c., &c.

The origin of this vigorous movement towards the establishment of a bank on the part of the corporation of the city of London, which, however, did not succeed, arose out of the virtual bankruptcy of the chamber.

It appears that from a very early period a court of record was held in the city of London for the care and government of orphans, and that the lord mayor and aldermen were invested with the custody and guardianship of all orphan children of freemen while under age and unmarried, and with the management of the personal estates of deceased freemen, and in some cases of their landed estates, with power to require the executors and administrators of freemen dying to exhibit true inventories of their estates before them in the "Court of Orphans," and to give security to the Chamberlain of London and his successors by recognizances of the parties living within the city, and by bond if without, for the orphans' part, and in case of refusal to commit them to prison till they obeyed. Whence it appears that the investment of the property of orphans in the chamber of London was a matter of obligation, not choice. It further appears that the freemen of the city of London invested large sums of money in the chamber of London, and were allowed interest thereon. From these sources very large sums had accumulated in the chamber of London.

This part of the business of the corporation bore the name of the "Orphans' Fund," and even this was not sacred from the rapacity of the Stuarts. By the treachery or cowardice of its guardians, the Orphans' Fund supplied the wants of the First Charles and his licentious son, Charles the Second; and the utter extinction of the fund was the immediate, and the proposition for the establishment of a corporation bank a secondary consequence.

The corporation were compelled to declare themselves incapable of discharging either interest or principal of the debt to the orphans out of their rents, after defraying the necessary expenses of governing the city. This they set forth in several petitions, which appear to have occupied the attention of both houses of Parliament. By the 5 and 6 William III. an act was passed for the relief of the orphans and other creditors of the city of London. This act first charges the estates of the city with an annual payment of £ 8,000 per annum, and assigns to the funds the rents and profits of the city aqueducts, or right of bringing water to London; imposes a duty of £ 2,000 per annum, to be levied upon the personal property of the inhabitants of the city; assigns the rents and profits arising from a license for the exclusive privilege of lighting the city convex lights; imposes a duty of two-and-sixpence upon the binding of every apprentice, and five shillings on the admission of every freeman into the city; a duty of four shillings per tun on all wines imported into the port of London; and a duty of fourpence per chaldron on the metage of every chaldron of coal and culm so imported, for fifty years from the year 1700.

This and other subsequent acts enabled the city of London to redeem its honor and credit so as effectually to discharge all claims on the orphans' fund. But no attempt has ever since been made by the corporation to resume the power over the property of orphans.\*

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\* In a newspaper, called the "Daily Post," of the 26th of February, 1723, the following advertisement appears:—

1693. About the latter end of the year 1693, there appeared a scheme for a bank, commonly called "The Million Bank." It took its rise from a number of London bankers, who lent out money on pledges, agreeing to purchase tickets in King William's Million Lottery, and from thence they were called "The Company of the Million Bank." This bank was finally established, and its affairs were conducted by a board of directors, consisting of twenty-four members, including a governor and deputy-governor: they subsequently purchased many reversions of the Fourteen per Cent. annuities, and permitted many proprietors of annuities to purchase their joint stock, which amounted to £ 500,000.

They were a partnership by deed, enrolled in chancery, with a joint stock fund. They at first divided five per cent. interest, which they subsequently reduced to four per cent., and again raised it to five per cent., at which it continued till the dissolution of the bank.

1694. The year 1694 is memorable for the establishment of the Bank of England, whose origin, rise, and progress form the subject of previous chapters.

In the year 1694-95, Dr. Chamberlain published proposals for the formation of a bank, to lend money at a low rate of interest, on the security of land. The following is an extract from one of the Doctor's proposals:—

"What we call commodities, is nothing but land severed from the soil. Man deals in nothing but earth. The merchants are the factors of the world, to exchange one part of the earth's produce for another. The king is fed by the labors of the ox; and the clothing of the army and victualling of the navy must all be paid for to the owner of the soil, as the ultimate receiver. All things in the world are originally the produce of the ground, and thence must all things be raised."

The principal difference between this scheme of a bank and that of the Bank of England, in opposition to which corporation, then in its infancy and struggling with difficulties, this project was started, was, that no money was ever to be lent on personal security, but exclusively on title deeds of unencumbered freehold land.

This land bank was patronized by the Earl of Sutherland, through whose interest a bill was introduced into the House of Commons, who resolved "that a fund, redeemable by Parliament, should be settled in a National Land Bank; that the sum of £ 2,564,000 be raised by new subscriptions; that no person be concerned in both banks; that the new bank should be restrained from lending money but upon landed securities, or to the government in the Exchequer," &c.

1696. It appears by the journal of the House of Commons, that, on the 24th of November, 1696, the Chancellor of the Exchequer, according to order, presented to the House a report of the failure of the attempt to obtain subscriptions to the National Land Bank; that books had been opened at Exeter Change on the 5th of June, 1696; but, although the Lords of the Treasury had subscribed in the king's name £ 5,000, the amount of subscriptions required could not be obtained

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"Orphans' fund, or debts due to the orphans in the chamber of London, are continued to be bought and sold as usual by Isaac Fryer, sworn broker, who gives his attendance at the said chambers for that purpose daily."

within the time prescribed. The commissioners stated that the cause of their ill success was owing to the large interest allowed on securities, both public and private, by the new bank, whilst they were limited to five per cent.

1711. The memorable project for the formation of the South Sea Company was brought out in the year 1711, and owed its origin to the following circumstances.

During the war with France in the reign of King William the Third, the payments to the sailors of the royal navy being neglected, they received tickets instead of money, and they were frequently obliged, by their necessities, to sell their tickets at forty, and sometimes fifty, per cent. below the amount for which they received them. By this and other means, the debts of the nation, unprovided for by Parliament, amounted together to £9,471,325. Mr. Harley, at that time Chancellor of the Exchequer, and afterwards Earl of Oxford, proposed a scheme to allow the holders of these tickets or debentures, and the other portion of the floating debt, six per cent. per annum interest, and to incorporate them for the purpose of carrying on a trade to the South Seas; and they were accordingly incorporated under the title of the Governor and Company of Merchants of Great Britain, trading to the South Seas and other parts of America, and for encouraging the Fisheries.

The company soon abandoned all idea of mercantile operations, — if they ever seriously intended to undertake them, — and confined themselves to money dealings with the government, and increasing the value of their stock, which at one time rose to the enormous amount of 1,000 per cent.

The apparent success of this scheme caused numerous romantic projects, proposals, and undertakings, both private and national, to be submitted to the public, many of which were notoriously absurd. Persons of rank of both sexes were deeply engaged in these bubbles; avarice prevailing at this time over all consideration, either of dignity or equity; the gentlemen going to taverns and coffee-houses to meet their brokers, and the ladies to their milliners' and haberdashers' shops for the like purpose. Any impudent impostor, whilst the delirium was at its height, needed only to hire a room at some coffee-house, or other house, near the Exchange, for a few hours, and open a subscription-book for something relative to commerce, manufactures, plantations, or some supposed invention newly hatched out of his own brain. These delusive projects, a list of which will be found below, received their first check from the power to which they owed their birth, viz. the South Sea Company, the directors of which, desirous to monopolize all the money of the speculators to themselves, obtained writs of *scire facias* against the conductors of the bubbles, and thus put an end to them.

*A List of the Bubbles, as published in the year 1721.*

- |                                    |                                  |
|------------------------------------|----------------------------------|
| 1. Sir Richard Steele's Fish Pond. | 5. Greenland Fishery for Whales. |
| 2. Garraway's Fishery.             | 6. Grand American Fishery.       |
| 3. Robbins's Fishery for Gudgeons. | 7. North American Fishery.       |
| 4. Grand Fishery for Smelts.       | 8. New Greenland Fishery.        |

VOL. I.

66

117

9. Royal Fishery.
10. Arthur More's Fishery.
11. Ten Millions Fishery.
12. William Helmes, in Exchange Alley, Insurance of Female Chastity.
13. Mother Wyeborrow's Machine.
14. Wakefield for the more effectual Breeding of Ducks and Geese in Lancashire.
15. Whilmore's Lottery Annuities.
16. British Improvement.
17. Trade to Harborough.
18. Long's Meliorating of Oils.
19. Baker's Annuities.
20. Curing Herrings a la mode de Hagen Mogun.
21. Pollington, Melting Sawdust and Shavings into Deal Boards of any length and free from Knots.
22. Wild's Insurance against House-breakers.
23. Wild's Insurance against Highwaymen.
24. Bele's Bottomry.
25. Codner's Assurance for Lying.
26. Briscoe's Transmutation of Animals.
27. Burridge's Importation of Spanish Snuffs.
28. Plummer and Petty Insurance from Death by drinking Geneva.
29. Carr's Brewing in Milford Haven.
30. Hurst's Importation of Hair.
31. Poppy Oil.
32. Radish Oil.
33. Freek's Annuities.
34. Supplying Markets with Cattle.
35. Lombard Office.
36. Butter Manufactory.
37. Woollen Manufactory.
38. Shipping.
39. Keet's Bubbles.
40. Taverner, Newfoundland.
41. Loft, Houses for Newfoundland.
42. Captain Clipperton's Adventures.
43. Fattening Hogs.
44. Widows' Pensions.
45. Tin Plates.
46. Trade to Sancta Crux.
47. Turnpikes.
48. Raw Silk.
49. Fenny Lands.
50. Wortley's Bubbles.
51. Union Fire Office.
52. Trade to the North Seas.
53. Welsh Copper and Brass.
54. Improvements in Tobacco in England.
55. Curing of broken-winded Horses and Mares.
56. Vaux, Exportation of Bay Salt.
57. Curing of Lunatic Persons.
58. Weldron's Improvement of Waste Ground and Fattening Cattle, at the Cross Keys Tavern, Cornhill.
59. Crutchley's, at Jonathan's Coffee-House, Insurance from Loss by Garraway's Fishery.
60. Daniel Defoe, employing of Weavers.
61. Sugar.
62. Royal Exchange Insurance.
63. Solomon Nunis Cuco.
64. Pinder's Improvement of Uncultivated Land in Lincolnshire.
65. Old Chitty, for Serving the Navy with Provisions.
66. For Clothing the Army.
67. Foster's Auction.
68. James Lunce's Adventures.
69. A New Invention for the more effectual Blacking.
70. Exporting of Stockings.
71. An Office for supplying the King's Stores with Powder and other Warlike Materials.
72. A New Company for Importing of Brandies.
73. La Cuze, for peat and refuse.
74. The Grand Stuff Company.
75. A New and Complete Method of Cleaning the Streets.
76. Orphan's Stock.
77. Million Bank.
78. Annuities for Lives.
79. Stringer's Bubbles.
80. Pindar's Expedition to Madagascar for Suppressing of Piracy.
81. Pinder's Invention for the more effectual making an Equinoctial Instrument for the Convenience of Ladies' Hoop Petticoats.
82. Tiling of Houses and Insuring them.
83. Exportation of Old Clothes.
84. Node's Expedition to the Carbee Islands and Sancta Crux.
85. Insuring Children's Fortunes.
86. Employing the Poor for the ease of the Parishes.
87. Irish Proprietary Sail Cloth Company.
88. Potato Starch.
89. Lamb's Wool Manufactory.
90. Settlement in the Margravine of Azilia.
91. (Title not mentionable.)
92. Malt and Hops.
93. Keet's Loan.
94. Davis' Straits Fishery.
95. Hard Soap.
96. Long's Pennsylvania.
97. Swords from Iron.
98. Transmutation of Metals.
99. Steel from Iron.
100. King George's New Market.
101. Overall's Fire Office.
102. Overflowed Lands.
103. Building of Houses.

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|---|--|
| 104. Grand Fishery.   | 143. Erecting Houses of Office in the North of England and Scotland for the convenience of Strangers and Travellers. |
| 105. Emptying Houses of Office.   | 144. Loan Office.  |
| 106. A Second, more Beneficial and less Offensive than the former, for Emptying Houses of Office. | 145. Cheff's Hemp and Flax.  |
| 107. Mutual Insurance for Ships.  | 146. Long's Hemp and Flax.   |
| 108. Shales for Ships.  | 147. Brand's Sail Cloth.   |
| 109. Ditto for Ships.   | 148. British Sail Cloth.   |
| 110. John's Coffee-House for Ships.   | 149. British Insurance.  |
| 111. Marine for Ships.  | 150. Grand Dispensary.   |
| 112. Tymond's Trade to Germany.   | 151. English Starch.   |
| 113. Importing of Negroes.  | 152. Foreign Starch.   |
| 114. Asgil Evans, for Serving the Navy with Bread and Cheese.                                     | 153. Insurance for Houses.   |
| 115. Maton's South Sea Hops.  | 154. Pentocle's Gold and Silver.   |
| 116. Symon's Assurance on Lives.  | 155. Paving the Streets of London.   |
| 117. Baker's Second Edition of Assurance on Lives.  | 156. Lambert's Improvement of Land.  |
| 118. Bohemia Islands.   | 157. Serving London with Hay and Corn.   |
| 119. Orkney Islands.  | 158. River Oroonoko.   |
| 120. Rock Salt.   | 159. Timber and Masts from Germany.  |
| 121. Ditto.   | 160. Pasteboard and Packing-paper.   |
| 122. Swason and Rummer.   | 161. River Douglas.  |
| 123. Salutation Permits.  | 162. Manchester Calicoes.  |
| 124. Lending Money to Necessitous Persons.  | 163. Wellbee's Gold and Silver Mines.  |
| 125. Office for Curing the Venereal Disease.  | 164. Irish Sail Cloth.   |
| 126. Puckle's Machine.  | 165. Making China in England.  |
| 127. Felt Hats and Pantiles.  | 166. Making Calicoes in England.   |
| 128. Coal Trade from Newcastle.   | 167. Long's Salt.  |
| 129. Woollen Trade in Ireland.  | 168. King George's Salt.   |
| 130. Rum Insurance.   | 169. Queen Anne's Salt.  |
| 131. Old Insurance.   | 170. Silver Extract.   |
| 132. Copper and Bras.   | 171. Sadler's Hall from Fires.   |
| 133. Lustrings.   | 172. Salter's Hall Remittance.   |
| 134. Office for Maintaining Bastard Children.   | 173. Rose Office from Fires.   |
| 135. For Lending Money.   | 174. Stockdon's Remittance.  |
| 136. Garraway's Lending upon Stock.   | 175. Irish Insurance from Fire.  |
| 137. Fleece Tavern for Lending upon Stock.  | 176. Bleaching of Hair.  |
| 138. Improvement of Hops.   | 177. Coral Fishery.  |
| 139. Building of Ships.   | 178. Water Engine.   |
| 140. Trade to Ireland.  | 179. Holy Island.  |
| 141. Trade to Scotland.   | 180. Women's Silk Stockings and Men's Breeches.  |
| 142. Trade to Spain and Portugal.   | 181. Silk Worms.   |
|   | 182. South Sea Hops.   |
|   | 183. Greenland Fishery.  |
|   | 184. National Permits.   |
|   | 185. Globe Permits.  |

The bursting of these bubbles left traces of misery and distress to an extent hitherto unknown in the monetary world. Yet there was one individual who looked calmly on during the progress of their formation; and, although not profiting at the expense of the credulity of the people engaged in them, had reaped an immense fortune by foreseeing at their commencement the events that actually occurred. That individual was Thomas Guy, the founder of the hospital known by his name.

Mr. Guy was a bookseller, carrying on his business at No. 1 Cornhill, — the house forming the angle of Lombard Street and Cornhill, — and for many years known as the "lucky corner."

We have before stated that, such was the poverty of the Exchequer at



the latter part of the reign of King William the Third, money could not be obtained for paying the seamen's wages, and that they were accordingly paid by tickets or debentures, which, from their necessities, they were compelled to part with considerably below their nominal value. The purchasers of these tickets were in their turn obliged to sell them; and at one time such was their depreciation that they fell to fifty per cent. discount.

Mr. Guy, having been a thrifty, saving man, had realized what in those days was considered a large sum of money; and, having the utmost possible confidence in the honor and integrity of the government, that the debentures would one day — and that at no distant period — be paid in full, was one of the first to set an example of investing his capital in government securities, by purchasing a considerable quantity of this "floating debt," as it was then called.

After the formation of the South Sea Company, and the funding of this floating debt, Mr. Guy became a large proprietor of stock. To give some idea of the extent of his investments, it appears by his will that he gave to sixty-three of his relatives, specially named, £1,000 each of "his interest or share in the capital stock created in lieu of debentures made forth for the debt due to the army by an act of Parliament passed in the fourth year of his Majesty King George, and attended with annuities after the rate of four per cent. per annum." — *Vide* Thomas Guy's Will, pp. 8–20.

The following singular and interesting anecdote is related of Mr. Guy. After he had, as he thought, discovered in the conduct of his maid-servant, in addition to a frugal disposition, one who would at all times conform to his rules and regulations, he on a particular occasion intimated to her that it was his intention to make her his wife; and, having taken the necessary step towards the completion of the interesting ceremony of the wedding, and, as a preparation, given particular instructions to a stone-mason to repair the pavement opposite his house (for in those days the laying down and expense of paving the streets was met by each householder separately), it chanced that Sally, the intended bride, observed a dilapidated stone, not exactly within the line of her master's house, but very near it; she therefore, in defiance of Guy's positive orders to the contrary, directed the man to remove it, and to replace it by a new one, which was accordingly done.

On Guy's return, — for he had been absent during the day, — his eye caught sight of the new stone, and in an angry tone he desired to know why his orders had not been obeyed, and why that stone, pointing to the new one, had been placed there. The man said it was by the mistress's orders. Guy immediately called poor Sally, and told her that she had overstepped her duty, adding, "If you take upon yourself to order matters contrary to my instructions before we are married, what will you not do after? I therefore renounce my matrimonial intentions towards you." It was owing entirely to this simple domestic circumstance that Thomas Guy was induced to change the whole tenor of his future life, by devoting the remainder of his days to a labor of love of another kind; for, "warm with philanthropy and exalted by charity, his mind expand-

ed to those noble affections which grow but too rarely from the most elevated pursuits."\* He set about building and endowing the hospital known as Guy's Hospital, which he lived just long enough to see roofed in.

The cost of erecting this vast pile was £18,793, and of endowing it £219,499, together £238,292; which munificent gift, during his lifetime, was a much larger sum than had ever before been dedicated by a single individual to charitable purposes. It even rivalled the endowments of kings.

Early in life he built an almshouse at Tamworth, his native town, for fourteen poor people, and maintained them until his death, and then endowed it for ever. When he met any diseased or friendless objects in the streets he would send them to St. Thomas's Hospital, with directions to the steward to supply them at his expense with clothing or such other necessities as were not provided by the hospital.

Sixteen years before his death he built and furnished three wards in St. Thomas's hospital, for the reception of sixty-four patients. Besides expending £3,000 on this hospital, he gave it £100 a year for eleven years successively, till he began to build his own.

Thomas Guy died on the 27th of December, 1724, in the eightieth year of his age, and among other legacies left to the governors of Christ's Hospital a perpetual annuity of £400 a year for taking in four children annually, those bearing any relationship to him to be preferred, to be nominated by the governors of Guy's Hospital. He also left £1,000 to be appropriated in relieving from prison those prisoners whose debts did not exceed £5 each, and who were confined in prisons within the bills of mortality, by which bequest six hundred people obtained their liberty.

Although the above account does not, strictly speaking, fall within the range of subjects marked out for this work, we could not refrain from dwelling on a character so truly estimable and charitable as that of Thomas Guy, whose beneficence is still dispensed with the same generous sympathy for the afflicted as it was upwards of one hundred and twenty years ago.

The system of banking as at present practised by the private bankers of London, though in most of its details similar to that in operation at the time of which we are now treating, yet differs in several most important particulars. Private bankers in London formerly issued notes payable to bearer on demand; they continued to do so until the corporation of the Bank of England had become so firmly established in reputation, as to induce the public to prefer its notes to those of the private bankers, who gradually discontinued this part of their business, which totally ceased in 1750; since which, the Bank of England has been the sole bank of issue in the metropolis. The London bankers also allowed interest on cash deposited in their hands for any period, however short, as indeed the Bank of England did, for several years after its establishment.

The material aspect of the business of banking in its early history is,

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\* Part of the inscription on Guy's monument at the hospital.

to modern ideas, as humble as it must have been picturesque. Instead of the handsome apartments, the highly-polished and well-fitted counters, and well-dressed clerks, of the modern banking-houses, there were the dark-featured Lombards, ranged behind their bags of money displayed on low benches in open shops, protected, perhaps, by occasional awnings, from the inclemency of the weather.

We have seen an ancient lease of a house in Lombard Street, in which permission is given to the occupier to inclose it with windows; and, to this day, that part of a banking-house in which money is received and paid, is called "The Shop."

The London banker of the old school, the successor to the Lombards, had little resemblance to the modern gentleman who is known by the same title. He was a man of serious manners, plain apparel, the steadiest conduct, and a rigid observer of formalities. As you looked in his face, you could read in intelligible characters that the ruling maxim of life, the one to which he turned all his thoughts, and by which he shaped all his actions, was, "that he who would be trusted with the money of other men should look as if he deserved the trust, and be an ostensible pattern to society of probity, exactness, frugality, and decorum." He lived, if not the whole of the year, at least the greater part of it, at his banking-house; was punctual to the hours of business, and always to be found at his desk. The fashionable society at the west end of the town, and the amusements of high life, he never dreamed of enjoying, and would have deemed it nothing short of insanity to imagine that such an act was within the compass of human daring, as that of a banker lounging for an evening in Fops' Alley at the Opera, or turning out for the Derby with four grays to his chariot, and a goodly hamper swung behind, well stuffed with perigord pies, spring chickens, and iced Champagne. (Banks and Bankers, p. 22.)

The business now carried on by London bankers consists in receiving and paying money, making advances on bills of exchange, and other approved securities; but they are prohibited from lending money, as they formerly did, on the security of goods or pledges, that portion of their original business being now exclusively confined to pawnbrokers, whose distinguishing characteristic is the armorial bearings which were anciently adopted by the Lombards, namely, "three golden balls."\*

Among the earliest goldsmiths whose business was subsequently merged into that of banking as at present conducted, was Mr. Francis Child, citizen and goldsmith, who established himself in Fleet Street, at the east corner of Temple Bar, and on the same spot where the business is still carried on. He lived to a great age, and was a person of large fortune and a most respectable character. The next in point of antiquity was the present house of Strahan, Paul, and Co. This bank was originally founded by Mr. Jeremiah Snow, who carried on business as a goldsmith, or what in modern phraseology is better known by the

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\* We are compelled to repeat this piece of information, in spite of the pleasant interdict of Charles Lamb.

name of pawnbroker. His name appears among the goldsmiths or bankers who were robbed by Charles the Second. By the kindness of the gentlemen at present carrying on the business of the bank, we have been favored with the privilege of inspecting the books of the bank so early as the year 1672. They show that the nobility of the land were in the habit of frequenting their shop, and borrowing money on the deposit of various gold and silver articles, such as gold and silver tankards, golden thimbles, and other valuables of a very miscellaneous, and sometimes comical, description.

Not many years after the London bankers had ceased to issue notes, the inconvenience of making all payments in Bank of England notes and gold had become so great, that some change was indispensably necessary, when the plan of adjusting each others' daily payments by an interchange of liabilities was adopted as the best mode of economizing the use of money.

At first the system adopted was of the most primitive kind, and certainly not the safest. The clerks of the various banking-houses used to perform the operation of exchanges at the corners of streets and on the top of a post; they then met by appointment at a public house; but, from the insecurity of these arrangements, it was at last thought best that the principal city bankers should rent a house near the old post-office in Lombard Street. This house was called the Clearing-House. To this house such bankers daily send all bills of exchange which may be due on that day, as well as all checks which have been paid in since the clearing of the preceding day; and, as every clearing banker is provided with a desk and a drawer, like a letter-box, on which his name is affixed, the clerk who brings to the clearing-house the securities deposits them in the several drawers of the bankers to whom they are addressed or made payable. At a particular hour of the day, which is usually four o'clock, P. M., the drawers are removed or closed, so that after that hour no more checks or bills can be deposited in them; and, as a means of ascertaining by whom the checks have been put into the drawer of any one banker, the name of the firm so depositing them is previously written across each check. This was the origin of crossing checks, and the practice has ever since been adopted by the parties who issue them, as a security against fraud. In the case of bills of exchange, they are receipted on the back with the name of the banker to whom they belong.

Each clearing banker has a clerk in attendance at the clearing-house, who takes out of his drawer the several bills and checks therein deposited, and credits the respective accounts of the several bankers whose names are written across the checks, and indorsed as receipted on the bills; he then sends them to his banking-house, by a clerk in waiting, for the purpose of ascertaining whether they are to be paid; if none of them are returned to him, he concludes they are all correct.

Having previously deposited in the various drawers such bills and checks on the other bankers as his house held, and for which he debited the several bankers previous to depositing them in their several drawers, he balances each banker's account, and submits the same to the gen-

eral superintendent of the clearing-house (an officer especially appointed by the body of bankers) for his examination and approval, and the same is done by all of them. The superintendent then declares the various balances to be paid or received, as the case may be, which balance, in cash or bank-notes, is all the money which passes in payment between one banker and another.

The following tabular statement will give some idea of the *modus operandi*.

Debtor for Checks, &c., paid in by ———.		Creditor for Checks, &c., taken out by ———.	
	Balance.		Balance.
£ 280,000	£ 20,000	Barclay,	£ 260,000
80,000	5,000	Barnard,	75,000
110,000	10,000	Barnett,	100,000
50,000	10,000	Bosanquet,	40,000
50,000	5,000	Brown,	45,000
110,000	. .	Curries,	120,000
110,000	. .	Denison,	120,000
50,000	5,000	Fuller,	45,000
280,000	20,000	Glyn,	260,000
100,000	10,000	Hanbury,	90,000
110,000	. .	Hankey,	115,000
280,000	. .	Jones,	300,000
150,000	. .	Lubbock,	160,000
200,000	. .	Masterman,	215,000
150,000	10,000	Prescott,	140,000
80,000	. .	Price,	85,000
160,000	. .	Robarts,	165,000
50,000	. .	Rogers,	55,000
40,000	. .	Stevenson,	45,000
60,000	. .	Spooner,	65,000
150,000	15,000	Smith,	135,000
80,000	. .	Stone,	90,000
60,000	. .	Vere,	65,000
40,000	. .	Weston,	45,000
110,000	10,000	Williams,	100,000
60,000	. .	Willis,	65,000
£ 3,000,000	£ 120,000	£ 3,000,000	£ 120,000

By this contrivance, the bankers of London are enabled to settle transactions to the extent of many millions a day, by the employment of not more, on an average, than from £ 200,000 to £ 300,000 of cash or bank-notes.

Exclusive of the checks and bills of exchange so paid, there is a large amount of country notes paid in the same way. Such notes are sent up to London to be exchanged at the several houses with whom the issuer keeps an account; these notes are, during the morning, sent round to the various banking-houses with whom they are payable; and, in lieu of the money being paid for them, a memorandum is given, setting forth "that such an amount of notes has been left by A. B. to be paid in the clearing this day, by C. D." These memorandums are treated precisely the same as the acceptance of the banker. Such is the confidence placed in each other by the clearing bankers, that, when a failure of one of the body happens, the transactions of the clearing are all made good, and the stoppage takes place in the morning. It is

almost an unheard-of event for a banker to fail in making good the payments at the clearing-house.

One of the many advantages of the system adopted by bankers of interchanging each other's engagements at a given time of the day, particularly to the members of the Stock Exchange, is, that a customer, who may have drawn largely on his banker both by checks and acceptances on any given day, knows that he has the whole of that day, or at least up to four o'clock, to provide for his engagements; and, although it may not be prudent to postpone providing for such engagements till that late period of the day, yet circumstances may sometimes justify the delay. In all cases, it may be considered of the utmost importance to the credit of individuals that such a practice exists.

In the appendix to the Report of the Committee of the House of Commons in the year 1840, on Banks of Issue, at page 320, there is a return of the aggregate demands made through the clearing-house for each month in the year 1839, together with the amount of bank-notes employed in the clearing during each month of that year, of which the following is a copy, omitting all fractions under £ 100 : —

<i>Month.</i>	<i>Demands.</i>	<i>Balances.</i>	<i>Month.</i>	<i>Demands.</i>	<i>Balances.</i>
January, .	£ 82,762,400	£ 6,348,500	August, .	£ 87,610,500	£ 6,164,900
February, .	76,164,700	4,960,200	September, .	74,237,700	5,129,800
March, .	75,879,200	5,621,500	October, .	87,478,200	5,706,800
April, .	85,839,200	5,836,000	November, .	81,729,200	4,793,100
May, .	80,587,600	5,615,000	December, .	70,833,850	4,755,000
June, .	67,413,900	5,060,000			
July, .	83,865,200	6,284,800		£ 954,401,600	£ 66,275,600

This plan of paying each other's engagements by exchange is, however, confined to the private bankers residing in the city; those at the west end of the town do not adopt it.

The metropolitan joint stock banks are not permitted to pay their engagements by exchange at the clearing-house. Several attempts have been made by such banks to be allowed the privilege; but hitherto without success. The bankers allege that it is purely a private arrangement among themselves, and that they have the power of deciding who shall and who shall not be admitted among them.

But, at the same time, it must be conceded by all disinterested parties, that where a body of men are permitted to pay their debts by an interchange of debts due to them, such payments having, through custom, all the force of law, the arrangement can hardly be called private. The legislature has the power — although we do not say it would be judicious to exercise it — of putting an end to such a system, by compelling a banker to pay his engagements on demand with money, and that no other mode should be considered legal. In all ordinary law proceedings, when it is necessary to prove the payment of money, the proof must depend upon the act of the money passing from one to another; but when payment is made by a check on a banker, it is only necessary to prove the payment of it through the clearing. Custom has established such evidence as sufficient proof of payment, although at first the judges were sorely puzzled to know how a payment could be made where no money passed.

The first authentic list of the bankers in London, or at least the first we have been able to discover, appeared in the Royal Annual Calendar of 1765, from whence we have transcribed the following : —

Amyard, Sir George Staples, and Mercer, near Grace-Church Street.  
 Agill, Sir Charles Nightingale, and Wickenden, facing Lloyd's, Lombard Street.  
 Buckwell, Hart, Dorrel, and Croft, Grasshoppers, Pall-Mall.  
 Biddulph and Cocks, New Buildings, Charing Cross.  
 Bland, Barnell, and Bland, Black Horse, Lombard Street.  
 Brown, Henton, and Son, facing Castle Tavern, Lombard Street.  
 Bland, Grey, and Stephenson, Golden Ball, Lombard Street.  
 Boldero, Carter, and Co., Vine, Lombard Street.  
 Brassey, Lee, and Son, Crown, Lombard Street.  
 Castells and Whately, Birchin Lane.  
 Cliffe, Walpole, and Clarke, corner of Clement's Lane.  
 Child and Co., joining in Temple Bar.  
 Cooper, Gillingham, corner of Arundel Street, Strand.  
 Colebrooke, Sir George, and Co., near Antwerp Tavern, Threadneedle Street.  
 Coutts, James, near Durham Yard, Strand.  
 Drummond and Co., Charing Cross.  
 Freame, Barclay, and Freame, near George Yard, Lombard Street.  
 Fuller, Son, and Welch, facing Saint Edmund's Church, Lombard Street.  
 Fuller and Cope, Birchin Lane.  
 Gines, George and William, Rose and Crown, Lombard Street.  
 Gosling, Gosling, and Clobe, Three Squirrels, Fleet Street.  
 Hankey, Sir Jo. and Sir Thomas, Three Golden Balls, Fenchurch Street.  
 Hoare, Henry, Richard, and Richard, Leather Bottle, Fleet Street.  
 Hunt and Robinson, George Street, York Buildings.  
 Knight and Batson, facing Lloyd's, Lombard Street.  
 Martin, Stone, and Blackwell, Grasshopper, Lombard Street.  
 Murray, John, Crown, Fleet Street.  
 Pewtress and Robarts, opposite Three Kings, Lombard Street.  
 Ruffey, Neale, James, and Fordyce, opposite Post-Office, Lombard Street.  
 Smith and Payne, near Coleman Street, Lothbury.  
 Snow and Dunn, Anchor without Temple Bar.  
 Vere, Glyn, and Halifax, Birchin Lane.  
 Willis, Read, and Co., Crown, Lombard Street.  
 Wright, Anthony, Henrietta Street, Covent Garden.

The bearing of devices over the doors of shops, and other places of business, was a very common practice before the introduction of the plan of numbering the houses, which did not take place till about the year 1770.

The sign of the house in Bread Street, where Milton's father resided, was a Spread Eagle, which appears to have been the arms of that family. Remains of this custom are still to be observed in several parts of the metropolis; and, in reference to that particular vocation which forms the subject of our pages, the reader is informed that Messrs. Hoares, the bankers in Fleet Street, retain to this day over the door the symbol of a leather bottle,\* gilt, and the same was also represented on their notes, which they formerly issued.

Messrs. Goslings also retain their sign of Three Squirrels; and Strahan, Paul, and Co., the sign of the Golden Anchor.

\* In a list of merchants of London, published in 1677, there are added the names of the goldsmiths "that keep running cashes"; and amongst them there is James Hore, at the Golden Bottle, in Cheapside. It also appears, from Sir Richard Hoare's history of the family, that Mr. Richard Hoare (afterwards Sir Richard), goldsmith, at the Golden Bottle, in Fleet Street, resided there in 1692.

It would fill a volume were we to attempt to give an account of the origin of each of the London bankers; but we cannot refrain from noticing in this place a few bankers of comparatively a modern date.

On the occasion of the state visit of George the Third to the city on the first Lord Mayor's day after his accession to the throne, and when the cavalcade had reached Cheapside, the acclamations of the people were so great "as to pierce the air with their shouts"; added to which, the dismal noise made by the creaking of the various signs which hung across the streets caused one of the horses attached to the king's carriage to become very restiff and unmanageable when opposite Bow Church, causing considerable confusion to the procession, and alarm to their Majesties.

A certain Quaker named David Barclay, a linen-draper in Cheapside, who was viewing the procession from the balcony of his first-floor window, perceiving the embarrassed situation of the king and queen, descended to the street. At this moment the procession halted, and our friend, approaching the carriage, addressed the king, saying, 'Wilt thee alight, George, and thy wife Charlotte, and come into my house and view the Mayor's show?' The king, who had on many occasions before he came to the throne evinced a strong partiality for Quakers, and who, from the plainness of his manners, would no doubt have been one himself, had he not been born to a throne, condescended to accept the invitation of the worthy linen-draper, and in the balcony of the first floor of the house exactly opposite Bow Church\* the king and queen stood during the remainder of the procession.

Our friend David introduced to their Majesties the whole of his family. His eldest son Robert, who was then a young man about twenty years of age, received especial notice from their Majesties. On their taking their leave, to proceed to Guildhall, his Majesty said, "David, let me see thee at Saint James's next Wednesday, and bring thy son Robert with thee." Accordingly, David Barclay and his son Robert attended the levee, and on approaching the royal presence, the king, throwing aside all regal restraint, descended from the throne, and, giving the Friend a hearty shake of the hand, welcomed him to Saint James's. He said many kind things both to the father and the son: among the rest, he asked David what he intended to do with Robert, and without waiting for a reply said, "Let him come here and I will provide him with honorable and profitable employment."

The strict and cautious Quaker, with many apologies, and with much humility, requested permission to reject the proposal, adding, "I fear the air of the court of your Majesty would not agree with my son." The king, who had seldom witnessed a similar rejection of intended royal favor, said, "Well, David, well, well; you know best, you know best; but you must not omit to let me see you occasionally at Saint James's. Soon after this, David Barclay saw his son Robert established as a banker in Lombard Street, who, instead of becoming a courtier, a position for which nature never intended him, became the founder of one of the most eminent banking firms of the present day.

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\* At present occupied by Messrs. White and Greenwell.



The manner of conducting the business of banking was in those days very different to the present. The banker used to attend 'Change, which was usually over about half past two o'clock; he would then go to dinner, and afterwards not unfrequently to the theatre, when the banker would return to Lombard Street, and commence writing his letters, which he would send to the post-office in time to be despatched by that night's mail, leaving London at *twelve o'clock*; not, however, in the manner of mail-coaches, with guard and coachman, or railways, as at present, but by post-boys, who carried the letters in bags slung across the horse's back. This mode of conveyance was naturally very hazardous; and it was no uncommon thing for a post-boy to be attacked by highwaymen, his mail seized, and himself shot if he made resistance. The above particulars were related to us by a clerk who had been upwards of fifty years in the house of Barclay, and who in fact was one of the earliest clerks in the New Bank.

He used to tell an amusing story of the first appearance of a new clerk. It appears that the staff consisted of three clerks only, and, on the occasion of the third coming to the office for the first time, he was dressed after the following fashion. He wore a long flapped coat with large pockets; the sleeves had broad cuffs with three large buttons, somewhat like the coats worn by the Greenwich pensioners of the present day; an embroidered waistcoat reaching nearly down to his knees, with an enormous bouquet in the button-hole; a cocked hat; powdered hair with pig-tail and bag-wig; and gold-headed cane, similar to those of the present day carried by the footmen of ladies of rank. The gentleman who cut so curious a figure remained in the house many years, and died a few years ago, at a very advanced age, much respected by his employers.

At the latter end of the last and beginning of the present century, the following merchants and bankers were noted in the commercial world for their immense wealth, namely, Joseph Denison, Sir Francis Baring, Thomas Coutts, Henry Hope, Lewis Tessier, and Peter Thellusson. The last-named gentleman requires some special notice, for the extraordinary and unprecedented manner in which he disposed, by will, of the great bulk of his property.

Mr. Thellusson was born at Paris, in the year 1735, about which period his father, Mr. Isaac Thellusson, a citizen of Geneva, settled at Paris, and established one of the first banking-houses in that city. (I. L. de Lolme, "Observations on Thellusson's Case, 1798.")

Monsieur Necker, the celebrated financier, began his career by being admitted a clerk in that house, and was afterwards taken as a partner under the firm of Thellusson and Necker. Peter Thellusson, on the death of his father, settled in London as a merchant and banker, under the auspices of the great banking-house of Thellusson and Necker, by which means he was enabled to correspond with all the great commercial houses in Paris, and other cities on the Continent. He appears to have been a man of extensive commercial knowledge, with an untiring industry and application to business, coupled with a spirit of enterprise at all times tempered with sound judgment. These were the

bright parts of his character. On the other hand, an inordinate love of money was his ruling passion; his economy was consequently severe and unceasing; but he never condescended to practise the vulgar sordidness that misers usually adopt.

Mr. Thellusson died in the month of July, 1797, possessed of property, both real and personal, valued at upwards of £ 700,000. His will, dated in April, 1796, after leaving several legacies to his wife (Mrs. Thellusson died the 18th of January, 1805,) his three sons and three daughters, and others, amounting together to about £ 100,000, directs that the residue of his property of every kind, valued at £ 600,000, shall be vested in three trustees, whom he names, to accumulate, and to be laid out by them in the purchase of estates in England, until such time as all his children, and the male children of his sons and grandsons, shall die, and then the lineal male descendants, who must bear the name of Thellusson, shall inherit the property in the following manner: —

The estates to be divided into three equal parts or lots: one to go to the male descendants of his eldest son, another to his second son's male descendants, and the remaining lot to his third son's male descendants; thus creating prospectively three large landed estates. In case of failure of male descendants of any one of the three, his share to go to the other two; and if a failure of two, then the whole three lots to be consolidated into one vast landed property, which, if the provisions of the will are carried out in all their integrity, will exceed the largest territorial fortune yet known in Europe. But, if there be no lineal male descendants, then the whole of the estates to be sold, and the money applied towards paying off the national debt.

After the legacies to his three sons, the following clause is added: —

"The provision which I have made for my three sons, and the very great success they have met with, will be sufficient to procure them comfort; and it is my earnest wish and desire that they will avoid ostentation, vanity, and pompous show, as that will be the best fortune they can possess." All the three sons had seats in the House of Commons; and the eldest, Peter Isaac Thellusson, accepted an Irish peerage on the 1st of February, 1806, as Baron Rendlesham.

He concludes this extraordinary disposition of his property in the following words: —

"As I have earned my property which I now possess with industry and honesty, I trust and hope that the legislature will not in any manner alter my will, or the limitations thereby created, but permit my property to go in the manner in which I hereby dispose of it."

In the month of December, 1798, two bills were filed in the Court of Chancery, one by the widow of the late Mr. Thellusson, and his three sons and three daughters, and the husbands of the two then married, and the other by the acting trustees under the will. The former prayed that the will might be invalidated, and the property distributed as if there was an intestacy; and the other sought to substantiate the trusts of the will, and to be directed in the manner of carrying them into execution. The case was argued for five consecutive days before the Lord Chancellor, assisted by the judges. The decision of the court was in favor

of the validity of the instrument, and a day was appointed for carrying out its provisions.

The following is a statement of the real and personal property of the testator, furnished by Mr. Hargreaves, counsel for the family in the above cause.

An estate at Broadsworth, in Yorkshire, valued at £ 140,000 ; another at Plaistow, valued at £ 25,000 ; warehouses in Philpot Lane, £ 10,000 ; Three per Cent. Consols and Imperial Annuities, amounting to £ 396,458 8s. 7d. ; Bank Stock, £ 21,000 ; East India Stock, £ 14,125 ; Four per Cents, £ 36,005 11s. 1d. ; South Sea Stock, £ 2,500 ; Five per Cent. Loyalty Loan, £ 3,000 ; Irish Five per Cents, £ 1,500 ; Irish Annuities, £ 712 ; Long Annuities, £ 900 ; Hudson's Bay Stock, £ 2,500 ; payable by instalments, and secured by a bond of a firm of undoubted credit, £ 49,000 ; various debts valued at £ 50,000 ; bills on the East India Company, £ 24,000 ; and cash in the banker's hands, £ 5,500. According to the tenor of the will, it was supposed that it might require a term of upwards of ninety years to elapse before the lineal male descendants could take possession of the property ; and if during that period the various sums above enumerated could be invested at five per cent. compound interest, they would amount to more than £ 70,000,000 sterling.

The late Mr. Thellusson's property was too valuable a prize to be allowed to glide down the stream of time uninterruptedly. The gentlemen of the legal profession can discover flaws in testamentary documents not perceptible to common understandings ; and so it was in this case ; for, although the legality of the will had been settled in 1798, it became the subject of frequent discussions in the Court of Chancery, and probably will be so to the end of the term.

One of these applications, made to the Lord Chancellor in November, 1821, raised the question, whether a person could not inherit through a female ? Lord Eldon decided that only lineal male descendants could inherit. This, one would suppose, had been made plain enough in the will ; but, as we said before, forensic ingenuity is one thing, common sense is another.

It is difficult at this distance of time accurately to account for the conduct of Mr. Thellusson in disinheriting, not only his children, but his children's children. It could not have been because they were not dear to him, nor because they did not deserve to be so, nor because others were more dear to him, for he was a fond father, and his children were all (excepting one daughter) well married, and with his unqualified consent ; in short, he was as fond of his daughters-in-law as of his own children.

Many have adopted the generally received opinion, that during the French Revolution large quantities of money and goods were assigned to Mr. Thellusson by several of the French noblesse, in the expectation that they would soon be able to follow ; but that, falling victims to the sanguinary spirit of the times, they never lived to claim the property, and consequently Mr. Thellusson unexpectedly became possessed of the same ; yet, thinking it possible that in the course of time circumstances

might arise calculated to throw light upon the real heirs of the property, his high sense of honor and integrity influenced him in disposing of it in the manner before stated.

If the Chancellor of the Exchequer were occasionally to institute inquiries into the manner in which the late Mr. Thellusson's property is managed, he could hardly be said to be exceeding his duty ; for, although the falling in of the reversion to the crown is a very remote contingency, yet still it *is* a reversion, and one which we think from its magnitude ought to be periodically looked after.

But whatever the motive of Mr. Thellusson may have been in leaving his property as before described, as it was the first, so will it be the last, will of the kind that can legally be made ; for the 40th George III. restrains for the *future* all trusts whereby the property or produce of real or personal estates shall be accumulated, and the beneficial enjoyments thereof postponed beyond the term mentioned in the act.

We shall now record some particulars respecting another of the wealthy individuals before referred to, namely, the late Thomas Coutts, a character widely different from that of Mr. Thellusson.

The father of Mr. Coutts was a merchant of some eminence at Edinburgh. He had four sons ; the two youngest, James and Thomas, were brought up in their father's office. James, at the age of 25, came to London, and settled in St. Mary Axe as a Scotch merchant, and subsequently started as a banker on the same spot, and most probably in the same house, where the business of the bank is now carried on. Some few years after, Thomas joined his brother as a partner, under the firm of James and Thomas Coutts, bankers.

James Coutts died many years ago, when Thomas was left sole proprietor of the bank. He was plain in his person ; sedate in his deportment ; punctual to an extreme nicety in the discharge of all the duties of his business ; frugal and sparing in his personal expenditure ; singularly clear in his judgment, and careful of his health, and still more of his reputation. To these moral excellences, so essential to a young man just launching into life, must the future success of Mr. Coutts be in a great measure attributed.

When Mr. Coutts was a single man, and known to be very wealthy, he was an object of attraction to more than one noble family having portionless daughters, in the hope that an alliance with the rich banker would be the means of relieving them from their pecuniary necessities ; but these aristocratic matrimonial speculators were all deceived and confounded by the choice Mr. Coutts made of a wife, which fell upon Elizabeth Starkey, a superior domestic in his brother's service, with whom he lived many years in the enjoyment of every domestic comfort. His family consisted of three daughters, who respectively married the Marquess of Bute, the Earl of Guildford, and Sir Francis Burdett. Few men ever enjoyed in an equal degree with Mr. Coutts the confidence and esteem of his friends, or obtained, unaided by rank or political power, so much consideration and influence in society. The large fortune which he acquired was, as we have before implied, the consequence, not the object, of his active life.

In the early part of his career, Mr. Coutts, anxious to secure the cordial coöperation of the heads of the various banking-houses in London, was in the habit of frequently inviting them to dinner. On one of these occasions, the manager of a city bank, amongst other news of the day, said that a certain nobleman had applied to his house for the loan of £ 30,000, and had been refused. Mr. Coutts took no particular notice of this at the time ; but the moment his guests had retired, which was about ten o'clock, he started off to the house of his Lordship, and, inquiring for the steward, told him his business, adding, "Tell his Lordship, that if he calls on me in the morning he may have what he requires."

On the following morning the nobleman went to the bank. Mr. Coutts received him with great politeness, and taking thirty one-thousand-pound notes from a drawer, presented them to his Lordship, who was most agreeably surprised, and asked, "What security am I to give you?" "I shall be satisfied with your Lordship's note of hand," was the reply. This was instantly given. The nobleman then said, "I find I shall only require for the present £ 10,000 of the money ; I therefore return you £ 20,000, with which you will be pleased to open an account in my name."

This generous act of Mr. Coutts was not lost upon his Lordship, who, in addition to paying in within a few months £ 200,000 to his account, being the produce of the sale of an estate, recommended several of the nobility to patronize Mr. Coutts ; and further, his Lordship related the above circumstance to King George the Third, who also patronized him by keeping a large amount of money in Mr. Coutts's bank.

The occasion of his Majesty's withdrawing his account from Mr. Coutts was reported to have been caused by the following incident.

Mr. Coutts had advanced £ 100,000 to Sir Francis Burdett towards the expenses of his election for Middlesex. On this fact becoming known to the king, he sent for Mr. Coutts, and, after satisfying himself of the real facts of the case, immediately withdrew his money from the bank, a considerable portion of which he placed in the hands of a banker at Windsor, who, to the great mortification of the king, subsequently failed, considerably in his Majesty's debt.

On the death of his wife, Mr. Coutts married Miss Mellon, an actress. On this second marriage both Mr. and Mrs. Coutts were made the constant subject of ridicule. These attacks, however, were mainly directed against the lady ; but they only tended to strengthen the confidence Mr. Coutts had placed in his wife, and this confidence was in the end displayed in a remarkable manner.

Mr. Coutts died on Sunday, the 22d of February, 1822, at the advanced age of 87. His will exhibits a striking contrast to that of Mr. Thellusson ; for, after reciting the nature and extent of his property, to the amount of £ 900,000, he left the whole to Mrs. Coutts for her sole use and benefit, and at her own disposal, without mentioning any other person or leaving a single legacy, and, by thus leaving the whole of his fortune to his widow, the legacy duty was saved. Mrs. Coutts subsequently married the Duke of St. Albans, but under her marriage settlement reserved to herself the sole control over the property of the late Mr.

Coutts ; and on her death, true to the confidence reposed in her by Mr. Coutts, she left the whole of his vast wealth to his favorite granddaughter, Angela Burdett, now Miss Angela Burdett Coutts, who is the principal proprietor of Coutts's bank, the business being conducted by trustees for Miss Burdett Coutts, under the old style of Coutts and Co.

The origin of the house of Jones, Loyd, and Company, the eminent bankers, was as follows. Mr. Lewis Loyd, father of the recently-created Lord Overstone, was formerly a Welsh Dissenting minister in a small chapel at Manchester. His ministration was attended by the family of a Mr. Jones, who was a sort of banker and manufacturer. Miss Jones fell in love with Mr. Loyd, and without the privity of the father they were married. On its becoming known to Mr. Jones, he was strongly opposed to the union ; but, as in all similar cases, what is done cannot be undone, and he soon became reconciled to Mr. Loyd.

Mr. Jones, finding that his son-in-law evinced a considerable extent of tact and business habits, proposed that Mr. Loyd should leave off preaching, and enter his counting-house as his partner, under the firm of Jones, Loyd, and Co. This was accordingly done ; and it was subsequently agreed that, in consequence of the London agents of Mr. Jones making repeated complaints about the trouble of keeping Mr. Jones's account, he (Mr. Loyd) should proceed to London and establish a bank under the name of the Manchester firm ; so that Jones, Loyd, and Co. of Manchester, drew bills upon Jones, Loyd, and Co. of London, or, as was facetiously observed, " pig upon bacon." \*

We believe this phrase arose out of the following incident. Mr. Loyd, having one day called upon a customer whose acceptances the banker held, and the same having been drawn upon the house in London by a firm abroad, asked the customer whether the bills so drawn upon and accepted by him were based upon *bonâ fide* transactions. " Before I answer that question," said the gentleman, " you must permit me, Mr. Loyd, to put a question to you " ; at the same time, opening a drawer, he produced several bills drawn by Jones, Loyd, and Co. of Manchester on Jones, Loyd, and Co. of London, " Pray, Sir, are these bills, which I call ' pig upon bacon,' all based upon *bonâ fide* transactions ? " This was so unexpected a retort, that Mr. Loyd retired without uttering another word.

After a very long and honorable career, Mr. Lewis Loyd retired from the bank, and was succeeded as head of the firm in London by his eldest son, Mr. Samuel Jones Loyd, now Lord Overstone. We cannot refrain from recording a kind and generous act performed by this gentleman on the occasion of taking his father's place, which, in our opinion, adds more lustre to his character than his coronet can possibly confer upon him. What we allude to is explained in the following letter, addressed to the gentlemen in his establishment : —

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\* Clearness of head, untiring industry, and perfect honesty soon recommended Mr. Lewis Loyd, who secured many friends in the metropolis ; and thus arose the wealthy firm of Jones, Loyd, and Co., and thus did the Welsh Dissenting minister come to be the ancestor of a peer of the realm.

"Lothbury, 24th December, 1845.

"TO MR. KIRBY:—

"DEAR SIR,— The inclosed draft for £1,000 I request you will place to the credit of the clerks' Christmas fund. At the close of the first year since my accession to the head of this concern, I am desirous of offering to those through whose assistance I have been enabled to bring it to a satisfactory conclusion some substantial proof of my sense of those services, and of the interest I feel in all that concerns their comfort and happiness. The year now closing has been marked by some circumstances of an accidental and temporary character, which have tended to throw an unusual degree of labor and trouble on the clerical department of the office. Of the readiness with which the difficulty has been met and overcome I am very sensible; and for this, as well as the uniform zeal and integrity with which the general duties of the office are discharged, I beg that the clerks will accept my grateful acknowledgments, and that you and they will believe me to be the faithful friend of you all.

"S. J. LOYD."

Bankers have the character of being aristocratic in their bearing towards their customers, and jealous of the prosperity of rival establishments. We will not stop to inquire into the truth or otherwise of such impressions, but simply content ourselves with relating the conduct of one of the partners in an old banking-house towards a new one.

It happened that a new bank was established on a principle which, if successful, would probably have gone far towards swamping all, or nearly all, of the smaller London bankers, and therefore one of the latter class determined to take the first opportunity of showing how far he could throw impediments in its way.

There is a custom among city bankers, that all checks crossed with the name of a banker are to be paid only to that banker whose name is on the check. The new bank referred to sent their clerk, as usual, to collect the amounts of their various checks on other bankers; and, having for the first time a check on the house just alluded to, and which check was crossed with the name of the new firm, he presented it in course, and was refused the amount, "because it was crossed with the name of parties not acknowledged as bankers." On the clerk bringing back the check and reporting this answer to the house, it appeared to them that such a proceeding, if tamely submitted to, would, in fact, strike at the root of their existence as a bank. Accordingly one of the partners immediately proceeded to the banking-house on whom the check was drawn, and obtained an interview with the gentleman who had sanctioned the offensive message, and who repeated his determination to refuse payment of the check, on the grounds before stated. On being asked what tribunal it was that settled the question of who was and who was not a banker, he declined giving any reply. On being asked whether his house had any funds in hand belonging to the drawers of the check, he answered in the affirmative; and further said, "To ten times the amount." "In that case," replied our young banker, "there is no other answer that my firm can return for the dishonor of this check than that you, according to your own admission, have stopped payment"; and he added, "I shall make it my business, having been an eyewitness to the fact, to make your suspension of payment known throughout the city."

This determination staggered the banker. After consulting for some time with his head clerk, who, fortunately for the credit of that estab-

lishment, had a seat in the bank parlor, and who was distinctly heard to say, though he whispered it, "You must pay it, Sir; you cannot refuse it," he requested his young rival would accompany him into the shop, and he would give instructions to his cashier to pay the check. Having done so, and being about to return to his room, he was further requested to give a general order, that all future checks similarly crossed might be paid, if not otherwise objectionable; "for," added the young banker, "I should be sorry to repeat my visit on any similar unpleasant occasion." Having said this, he retired from the bank, satisfied that he had obtained a victory over his jealous neighbor, whilst the other retreated to his room to chew the cud of disappointment and mortified pride.

However, as it often happens with men who have placed themselves in similar situations, the defeat rankled in the breast of the old banker, and it was not long before another opportunity was afforded of displaying his opposition to the new bank; but in this second instance he presented himself in a new character, that of a cowardly slanderer. The occasion was as follows. One of the customers of the new bank having received advice from the country to apply for £500 to the old bank, went there in person, and was handed a check for the amount. He was asked by the clerk the usual question, whether he would pass it through his bankers. Having answered in the affirmative, he was then asked the name of his banker. At this moment the old banker came up, and, hearing the instructions given to his clerk to cross the check with the name of the new firm, he took it from the clerk, and leaning over the counter said to the gentleman in a half whisper, "What, Sir, do you keep your account with that firm?" "I do," was the reply; "is there any thing wrong?" "O, not that we know of *at present*," laying a strong emphasis on the last words. This made the gentleman very uneasy, and he further interrogated the banker whether he knew any thing to the discredit of the house, because, he said, "I have a large balance in their hands, and it would be a very serious thing for me if there was any doubt of their respectability." The old banker, "willing to wound, and yet afraid to strike," answered somewhat after the style of Hamlet,—

As, "Well, well, we know," — or, "We could, an if we would";  
Or, "If we list to speak," — or, "There be an if they might,"  
Or such ambiguous giving out, to note  
That he knew aught of them.

These, or somewhat similar innuendoes, were sufficient to alarm the gentleman; and the result was, that the old banker induced the gentleman to open an account with *his* house, paying in the check for £500 as a commencement, and drawing another check for £600 on the new bank, which amount was within a few pounds the balance of his account in their hands.

This very Christian-like conduct of the old banker was not known until some time after, when *his bank stopped payment*, having at the time of its stoppage nearly £400 in their hands belonging to the gentleman, whose account they had obtained in the above sinister manner.

The gentleman, when speaking of the transaction, has often admitted



that he had paid dearly for his folly in listening to the slanderer's tongue. The failure of that banking-house caused considerable sensation in Lombard Street; and we believe the affairs of the house are not to this day wound up.

We now propose to give a specimen of a banker's aristocratic bearing towards one of his customers belonging to the trading community. The reader must know that there is a class of retail traders in London who keep accounts with bankers, but who seldom, or perhaps never, have the privilege of the *entrée* to a banker's parlor. This privilege is almost exclusively enjoyed by the merchants and wholesale dealers; and on this account the retail tradesman scarcely knows the person of the banker with whom he lodges his money, or the banker that of his customer. This ignorance gave rise to a ludicrous scene between a Lombard Street banker and a baker, one of his customers.

It happened on a certain day that the baker had paid in to his account a large sum of money, and on his retiring from the bank he paused on the step of the door, and began to reflect which way he should steer his course. Whilst in this state of uncertainty, as ill-luck would have it, our banker came up; and, as he could not pass the baker without touching him, and so soiling his own clothes,—for the baker was in his working gear,—he very haughtily said, "Move away, fellow." This language applied to a tradesman who had just paid £500 in to his account, which already had an equal sum to his credit, was, to say the least of it, very irritating, and such as the baker thought, no doubt, he ought to resent; for he replied, "I sha' n't move for you nor any coxcomb like you; and, what's more, if you address me again in that manner, I'll put your nose in the kennel."

The banker, not being in his turn used to such a mode of address, still authoritatively ordered the baker to move and let him pass, or he would let him know who he was. Words ran very high. At last the pugnacious baker, unable any longer to restrain his passion, with one blow—for he was a powerful man—knocked the banker into the gutter. The banker's fall shook Lombard Street; but, unlike most bankers who, when they fall, fall like Lucifer never to rise again, he did rise, and, rushing into his banking shop, covered with mud, foaming with rage, and followed by the baker, he called loudly for the porter to fetch a constable to take this fellow into custody.

The cashier, who but a few minutes before had attended upon the baker, to his utter amazement witnessed this extraordinary scene. He immediately ran to the banker, and, like a second Mentor, whispered in his ear, "That is Mr. ———, our customer." These few words acted upon the excitable feelings of the banker in the same manner as oil upon troubled water; for without uttering another word he retired to his room, which, on this occasion, might very properly be called a "sweating-room";\* for

\* "He perspired like an ox; he was nervous and vexed."

\* A banker's parlor is called the "sweating-room," a significant term, as all who have been under the necessity of asking for discounts will readily allow.

After a while he requested the cashier would calm the baker, who had been chewing the cud of his resentment outside the room. This the cashier soon effected, and the customer was, for the first time, introduced to his banker, when apologies were interchanged, and the banker and baker from that day were well known to each other.

When a cashier in a banking-house commits an error by paying too much, the loss falls upon the clerk, unless there be any extenuating circumstances to justify a contrary course; the mistake is then called a clerical error. Our readers will not be at a loss to know in which category to place the following. One Monday morning a very elegantly dressed female entered the banking-house of ——— and presented a check for payment, at the same time requesting, with a great show of politeness, that she might have gold in exchange for the check. The lady was not only well dressed, but she was very beautiful; so much so, that the attention of the cashier was riveted upon her. He weighed fifty sovereigns, which he handed to the lady; and, supposing that she would count them one by one, he anticipated that the pleasure he enjoyed in looking upon her would thereby be prolonged; but he was mistaken; for, to his surprise, instead of counting them, she huddled them all up together, and put them in a white pocket-handkerchief. The cashier, observing this unusual mode, said, "You had better count them, madam"; but the lady, looking at him with a most gracious smile, replied, "I am quite satisfied, Sir, that you are right"; and, with another bewitching look, wished him good-day, and walked leisurely out of the bank.

The cashier was so overpowered with the beauty of his customer, that immediately on her retiring he went a few paces to a fellow-cashier and asked him if he had ever seen such a lovely creature. "Such a bewitching woman!" said he; "what a sparkling brilliancy there was in her eye! I wonder who she is?" This caused him to look at the check, which on first receiving he had placed on his book, without entering or once glancing at it; when he discovered to his utter astonishment that it was for £5 instead of £50. Uttering an exclamation, he jumped over the counter, and was in the street in a second. He looked to the right and left, but could distinguish no trace of the beautiful lady; he ran in and out of the several courts that surrounded the bank in vain; he returned to the banking-house to take counsel with his fellow-admirer of this charming woman, as to the best course to adopt, when it was decided that he should immediately apply to the drawer of the check for the name and address of the party to whom he paid it, the body of the check simply expressing it to be payable to "house expenses or bearer."

The drawer of the check, on being asked by the cashier to furnish him with the desired information, expressed his surprise at what he called his impertinent curiosity; but, on being informed of the mistake that had been made, he immediately gave the name and address, "Miss Thompson, Bury Street, Saint James's"; adding, "I beg you will not utter a word of this affair to any one, for if it should come to the ears of Mrs. P—— I fear the most serious consequences would result from

my indiscretion, for the party in question is, I fear, only too celebrated."

The cashier, anxious to catch the lady on her return home, assured the gentleman of his silence, and proceeded with the utmost expedition to Bury Street. The door was opened by an innocent-looking girl, who, on being asked if Miss Thompson was at home, replied with great simplicity, "No, Sir, Miss Thompson is not at home"; and, as though she wished to stifle all further inquiries, she added, "I don't think she will come back." It ultimately came out that, the moment "Miss Thompson" returned from the city, she packed up her things and left the house, of course without leaving her address or any clew to her whereabouts; enjoying, no doubt, the satisfaction of having proved the truth of the saying that "Love is blind"; for she had by a judicious exercise of her charms so far blinded the eyes of a city banker that he could not distinguish between five and fifty pounds.

This was a sad termination of the affair to the cashier, who on his return to the bank felt ashamed to mention the circumstance to the house, and it was arranged that the drawer of the check should, by way of purchasing the silence of the cashier, pay one half of the amount, and the cashier the other, which was done; and the affair was kept a profound secret for some time.

On another occasion a Quaker presented a check for three hundred pounds, and the cashier paid him four hundred. The Friend discovered the error, and in the usual quaint manner of his class addressed the cashier, saying, "Friend, hast thee not made a mistake?" but the cashier, being very busy, gave no heed to his question. In a few minutes it was repeated with the like success, and it was not till after the question had been put for the third time, and our patient Quaker had waited full ten minutes, that the cashier condescended to ask in a somewhat haughty tone to what he alluded. The Friend, with much humility, said, "I wanted from thee three hundred pounds, and thou hast given me four hundred. I have been desirous of drawing thy attention to the mistake, but could not until now induce thee to regard me. Here is the one hundred back again." The cashier, as may be supposed, was overwhelmed with shame at this quiet, though pointed rebuke.

In the month of May, 1824, an advertisement appeared in the "Morning Advertiser" newspaper, to the effect that a junior clerk was wanted, who would be required to clean out the counting-house, &c.; all applications to be made to No. 9 Staple's Inn, Holborn. This advertisement caught the eye of a young Irish boy, who had brought his father's dinner to the public house; and after his respected parent had finished his meal and resumed his hod, for he was a bricklayer's laborer, the lad started off to Staple's Inn.

The auspicious day on which young Mike became a candidate for a clerkship was a Saturday; and, as Staple's Inn was not far from Gray's Inn Lane, he soon arrived at his destination. He had got to the first landing of the stairs leading to the place he wanted, when a respectable, gentlemanly-looking man met him, and asked him where he was going. On Mike telling his object, the other replied, "O, indeed! I am the party

n want of a clerk. I was just going out, but I can speak to you here." And, being very soon satisfied from the simplicity of Mike's replies to his questions that he would answer his purpose, he said, "I shall want you first to go into the city for me and obtain the money for a bill," which he took out of a black case, and which he said would be paid in Lombard Street. He gave Mike particular instructions how he was to conduct himself, adding, "When you have got the money safe in your pocket, and before you leave the banking-house, stand on the step of the door and take your hat off."

On Mike's way to the Bank he was haunted with the most pleasing waking dreams, and thought full surely his fortune was made; more especially as his engagement wholly depended upon the manner in which he acquitted himself on this occasion. He never thought for one moment that there was any thing uncommon or unusual in the mode and manner of his introduction to the situation, and for this special reason, — he had never known how similar matters were arranged.

Immediately Mike had left Staple's Inn on his destination, his new master jumped into a cab and drove to Lombard Street, secreting himself in a court exactly opposite the banking-house; he there waited the arrival of Mike, whom he saw enter the house, and in less than ten minutes, which no doubt appeared to him an age, Mike stood on the step of the door, and, acting up to the letter of his instructions, took off his hat, and walked towards Staple's Inn.

The gentleman, not perceiving any one following Mike, returned to the cab, which had been waiting for him, and arrived at Staple's Inn just before the boy. He met him again on the stairs, when Mike informed him, that he had executed the business; "And here is the money, £458," which the gentleman took, complimenting Mike on his adroitness and despatch, which he told him he had taken care to witness, concluding with an intimation that he might consider himself engaged, but, it being too late in the day for him to commence the duties of his office, he could dispense with his services until Monday morning. At the same time he presented Mike with three sovereigns, telling him to buy himself a new jacket and a pair of trowsers. They then parted; the boy to his mother to relate his good fortune, and the gentleman to the Bank to exchange his notes for gold.

On Monday morning, Mike, attired in his Monmouth Street habiliments, accompanied by his mother, arrived at Staple's Inn as the clock struck nine. They knocked gently at the door, over which there was a notice that the chambers were "To let, apply to the porter at the lodge." After knocking several times without the door being opened, suspicion for the first time began to operate upon Mike's mind; but he durst not tell his mother what he thought. He could read the notice for letting the chambers; but his mother had not acquired the art of reading. It was after a short consultation agreed that they should apply at the porter's lodge, and inquire if Mr. Dixon, for that was the name he gave Mike, lived there. The porter said that there was no such person as Mr. Dixon residing in Staple's Inn; and asked what number they had been directed to. When informed that it was No. 9, he said, "It must

be a hoax; for No. 9 has been shut up for six months." He had, he said, received several letters addressed to A. B. No. 9 Staple's Inn; but he was not at all aware of the purport of them.

Mike now began seriously to think that all his bright prospects were like castles in the air; and that the affair would, as the porter said, turn out a hoax. However, the three sovereigns were genuine, there could be no mistake as to that. Mike and his mother now proceeded to the bankers in Lombard Street. The clerk recognized him; but, as Mike could not tell the amount of the bill, it was some time before the transaction could be traced. When it was discovered, a reference was made to the bill, which, on close examination, proved to be a forgery. The bankers lost no time in sending to the Bank to stop the payment of the notes; but, as Mr. Dixon had lost no time in exchanging them for gold, the messenger was informed that the notes had been paid in gold about ten minutes before five o'clock on Saturday.

The matter now assumed a serious aspect, and was of course brought under the notice of the "house," as a banking firm is usually called. Mike and his mother were introduced to Mr. ———, one of the partners in the house, and related in a most circumstantial manner all the particulars above named. Mr. ——— was considered one of the cleverest bankers in Lombard Street; but, as banking and thief-taking are distinct professions, perhaps it was not to be wondered at, that, ignorant of the nature of the latter, he should have made the following extraordinary arrangement with the simple Irish boy.

After asking Mike if he should know the man again, and being fully satisfied on that head, he proposed that Mike should perambulate the streets of London all day in search of the man, for which he (the banker) would allow him £1 per week; adding, "If you find the man, or his haunts, you are to come immediately to me and let me know."

Mike retired from the presence of this great banker with a heart as light as a feather. He had just lost a situation as a clerk to a thief at 7s. per week, and in exchange had got another at 20s. per week, as a street-walker to one of the first banking-houses in London. Mike rambled about the streets of London; but we will not disguise the fact, that he was shrewd enough to know that if he found the man Dixon his occupation would be gone, and with it the pound a week. He, therefore, as the reader may suppose, never found him; but, as if the measure of Mike's good fortune was not quite full, the banker ordered our hero to proceed to France, in company with one of the Bow Street officers, with the view of attending the coronation of Charles the Tenth, in the hope that Dixon might be discovered among the spectators at that august ceremony. Mike accordingly went to France, and figured at the coronation; but as a matter of course returned without finding Dixon.

The youthful detective again resumed his rambles through London streets; but we shall soon bid farewell to him, for symptoms of a new light begin to break in upon the mind of the banker. He was dissatisfied at the expense of Mike's unprofitable weekly allowance. On Saturday, as Mike was in the act of receiving his weekly stipend, Mr. ———

walked into the shop, and accosted our hero as follows: "Well, my boy, you have not found that scoundrel yet, and I begin to think you do not look after him, for I never see you." Mike replied with great *naïveté*, "The reason is, Sir, that when you are in the east I am in the west." The utterance of this answer, although perhaps its substance was strictly true, caused poor Mike's income to vanish, for he was told that the house could not think of paying any more money in such a hopeless case; but if he (Mike) found the man, the house would pay ten pounds. This latter arrangement ought to have been made at first; but it was not proposed until after this acute Irish lad been for nearly three months in the receipt of a pound per week, and had enjoyed a trip to France at the banker's expense into the bargain. What became of the Irish boy after his unprofitable services were dispensed with we are not able to record. Suffice it to say, that the banker never recovered a single shilling of the money paid for the forged acceptance; but, on the contrary, sustained an additional loss of nearly £100 in a fruitless endeavor to find the delinquent.

We could multiply instances of forgeries on and robberies of bankers to a very great extent, and in our next chapter we propose to give a sample of them; but we cannot refrain from recording a robbery of a London banker of so extraordinary a character as we feel persuaded has no parallel in the annals of robberies. Certes, the thief had a conscience more sensitive than men of his craft are generally gifted with.

It appears that on Sunday, the 24th of November, 1844, the strong-room of the banking-house of Messrs. Rogers, Towgood, and Co. was opened, and property in bank-notes, gold, and bills of exchange taken therefrom to the amount of nearly £50,000. The notes of various denominations, of which there were thirty-six £1,000 notes, amounted to £43,405, and the gold to £1,200; the rest consisted of bills of exchange.

On the day in question, one of the partners was in the house an invalid, and a clerk, whose duty it was to remain on the premises during the day, was also in attendance; yet the above property was abstracted, and never missed till the following morning, when the safe was opened. A reward of £3,000 was immediately offered for the recovery of the property, and so ran the offer: "Her most gracious Majesty's *pardon* will be granted to any one of the guilty parties who will give such evidence as will procure the conviction of the other offender or offenders"; and although this offer, with a description of the notes stolen, which occupied three full pages in octavo, was published in almost every newspaper and periodical in the three kingdoms, and on the Continent, no clew could be obtained of the robbers; yet, after a considerable lapse of time, and when the circumstance had been almost forgotten by every one but the losers of the property, the bank-notes were returned in a parcel, directed to the bankers in an unknown hand, and of course without any comment.

It has seldom happened that the failure of bankers is attended with any criminality on the part of the banker by an abuse of confidence reposed in him, through fraud or forgery. That there have been cases

of gross criminality by bankers, and such as have disgraced the class to which they belong, we freely admit; but, happily for society, such cases are of rare occurrence. We now propose to give two instances of such conduct on the part of bankers, ending, in one case, with the forfeiture of the life of the culprit at the hands of the public executioner, and the absconding of the other.

Mr. Henry Fauntleroy became a partner in the house of Marsh, Sibbald, and Co., bankers, of Berners Street, about the year 1807; and in 1814 he was appointed one of three trustees to the estate of a family consisting of eight children. He very soon after forged the signatures of his co-trustees to a power of attorney for the sale of stock standing in their names in the Three per Cent. Consols. The first attempt being successful, it led to others; and it subsequently turned out that he had carried on the same system of fraud and forgery from his first becoming a partner until his detection.

The discovery took place from the circumstance of one of the trustees accidentally investigating the accounts at the Bank of England, which he had been induced to do in consequence of an order from the Court of Chancery that the whole of the property held in trust should, in the month of November, be paid over to the Accountant-General. The trustee was panic-struck at the discovery that the whole of the stock, amounting to £ 30,000, had been sold out without his knowledge. He lost no time in communicating with the other trustee, and also with the partners in the banking-house, who expressed their surprise and great alarm at the discovery. The trustee immediately proceeded to the police, and, on his deposition, a warrant was issued against Mr. Fauntleroy, which was placed in the hands of Plank, the officer, who, on the following morning, succeeded in arresting Mr. Fauntleroy at the banking-house.

On the 30th of October, 1824, Henry Fauntleroy was arraigned at the Old Bailey for forging the name of Frances Young, and that of two witnesses, to a power of attorney for the sale of stock, which power of attorney was presented to the Bank, and the sale effected, by Fauntleroy, as the attorney for Frances Young.

But the most extraordinary part of this case was, that, on searching among his private papers, a document was found in his own handwriting, whereby he admitted this and other forgeries, and adduced his reasons for so doing. The paper contained the following list of forgeries:—

De la Place, . . . . .	£ 11,150 . . . . .	Three per Cent. Consols.
E. W. Young, . . . . .	5,000 . . . . .	" "
General Young, . . . . .	6,000 . . . . .	" "
Frances Young, . . . . .	5,000 . . . . .	" "
Henry Kelly, . . . . .	6,000 . . . . .	" "
Lady Nelson, . . . . .	11,995 . . . . .	" "
Earl of Ossory, . . . . .	7,000 . . . . .	Four per Cents.
W. Bowen, . . . . .	9,400 . . . . .	" "
J. W. Parkins, . . . . .	4,000 . . . . .	" "

Other sums were also in the names of Mrs. Pelham, Lady Aboyne, and Henry and Elizabeth Fauntleroy. The statement of amounts was followed by this declaration:—

"In order to keep up the credit of our house, I have forged powers of attorney for the above sums and parties, and sold out to the amount here stated, and without the knowledge of my partners. I kept up the payments of the dividends, but made no entries of such payments in our books. The Bank first began to refuse to discount our acceptances, and to destroy the credit of our house. The Bank shall smart for it."

This document, coupled with the fact of the actual sale of the stock thus enumerated, was alone sufficient proof of his guilt; but other collateral evidence was submitted to the jury. In his defence, Fauntleroy said that the embarrassments of the firm had been caused by building speculations carried over a number of years; that the only wealthy partner of the house died, and the withdrawal of his capital left the bank without any resources; and that another had overdrawn nearly £100,000. This defence, if defence it can be called, had no weight with the jury. He was immediately found guilty, and sentence of death passed upon him.

Great exertions were made to save his life, not only by several humane and philanthropic individuals, who totally disapproved of capital punishments, but also by his counsel, who reargued his case, first before Mr. Baron Garrow at the Old Bailey, and afterwards before the twelve judges, when both decisions were against him.

The following is an account of the execution of Fauntleroy, abridged from one of the periodicals of the day (Annual Register, Vol. LXVI. p. 163): —

The execution took place on the 30th of November, 1824, and at eight o'clock in the morning the crowd assembled was enormous. Not only did the multitude extend in one compact mass from Ludgate Hill to nearly the beginning of Smithfield; but Skinner Street, Newgate Street, Ludgate Hill — places from which it was impossible to catch a glimpse of the scaffold — were blocked up by persons who were prevented by the dense crowd before them from advancing further. Every window or house-roof which could command a view of the dreadful ceremony was likewise occupied. Without overrating the number of persons assembled, they might be estimated at nearly 100,000.

At a quarter before eight the sheriffs arrived at Newgate, and proceeded immediately to the prison. He bowed to them on perceiving they were present, but made no observation. The demeanor of the unhappy man was perfectly composed. His eyes continued closed, and no motion was visible in his countenance; and thus, accompanied by two clergymen, one taking each arm, the prisoner reached the foot of the steps leading to the scaffold. The moment he appeared, the immense crowd maintained a dead silence, and took off their hats. In less than two minutes after the prisoner had ascended the scaffold, every thing was prepared for his execution. Mr. Cotton, the ordinary, now placed himself before the prisoner, and commenced reading the appointed service, and whilst repeating the words, "Thou knowest, O Lord, the secrets of our hearts," the trap-door fell, and with it all that was mortal of Henry Fauntleroy, the banker.

In the early part of December, 1828, some unfavorable reports got abroad respecting the credit of Messrs. Remington, Stephenson, and



Co., bankers, of Lombard Street, and many customers in consequence removed their accounts. To counteract such rumors, and allay all doubts, five of the principal bankers in London investigated the affairs of the bank, with the result of which they were so well satisfied, that each of them advanced £20,000 on such securities as they found the bank to possess, made, further, a declaration of their entire conviction of the solvency of the house, and went so far as to induce many parties who had withdrawn their accounts to resume them.

This favorable aspect of affairs was, however, soon doomed to undergo a complete change. On Saturday, the 27th of December, 1828, it was reported in the city that Mr. Rowland Stephenson, the active partner in the house, M. P. for Leominster, and treasurer of St. Bartholomew's Hospital and other public bodies, had absconded with a considerable sum of money and Exchequer bills belonging to the customers of the bank. The whole city was panic-struck, and, from the high estimation in which Mr. Stephenson was held, the report could not be believed. The stoppage of the bank, however, about two o'clock in the day, placed the question beyond all doubt; but it was some days before the full extent of Stephenson's defalcations became known.

The mode adopted by Stephenson to deceive his partners with respect to the various deposits of Exchequer bills was, by having sealed packets with the name and address of the depositors, and the amount of Exchequer bills indorsed thereon; so that the bankers who examined the state of affairs of the bank, concluding that the actual securities were inclosed in the envelopes, did not examine them further. Had they done so, they would have discovered that the Exchequer bills had all been abstracted, and slips of paper substituted.

A somewhat curious circumstance happened in connection with Stephenson's flight. It became known to one of his sureties that he had left his home in St. Bartholomew's Hospital at four o'clock in the morning, and being fully impressed with an idea that something was wrong, the gentleman waited upon Sir James Shaw, the president of the hospital, and, stating his fears, urged Sir James to withdraw the balance from the bankers ere it was too late, and thereby preserve him from ruin. Sir James hesitated for some time, but at last drew a check for £5,000, which was presented and paid before the knowledge of Stephenson's flight had transpired. At two o'clock the house stopped, having a balance of only £800 due to the hospital.

As is usually the case in similar circumstances, it came out that Stephenson had been a frequent visitor to the gambling-table, and that he was also connected with several questionable theatrical characters. The money he lost through these channels was very great, and, as his means were not sufficient to enable him to meet such losses, he made use of the Exchequer bills, and other securities, placed in his hands for safety. The extent of his defalcations at the bank was £200,000, besides abstracting Exchequer bills to the amount of £70,000; added to which, he had contracted debts to a very considerable amount.

A fiat in bankruptcy was issued out against the partners in the bank, and on the 10th of January, 1829, an indictment was preferred against

Rowland Stephenson at the Old Bailey, charging the bankrupt with embezzlement, and a warrant was issued for his apprehension, and that of his clerk Lloyd, with a reward of £ 1,000 for the apprehension of the former, and £ 300 for the capture of the latter.

On leaving the hospital, Stephenson called on a personal friend, named Welsh, of the Argyle Rooms, Regent Street, to whom he related the situation in which he was placed, and the necessity of his immediate flight. He was accompanied by Lloyd, who was his confidential clerk, and fully cognizant of all his proceedings. Welsh, at the earnest entreaty of Stephenson, left London with them. Their object was to embark on board of an American vessel on the coast of Wales. On arriving at Pill they engaged a pilot yacht for one month at two guineas a day. After seeing them on board the yacht, Welsh left them and returned to town.

After vainly cruising about in the hope of meeting one of the outward-bound American ships, Stephenson and his companion were landed at a place called Clovelly, on the coast, a place admirably adapted for concealment. On the Tuesday Stephenson hired a skiff, the Pill pilot having returned home, and again made several unsuccessful attempts to get on board a vessel. He was detained at Clovelly from Tuesday till Friday. During the interval his liberality to the people at the inn, and also to the owner of the skiff, was the theme of general admiration; and, of course, a corresponding amount of attention was shown him.

On the Friday, when the post arrived, Stephenson eagerly seized the newspaper (they had only one weekly paper at Clovelly), and was for some time absorbed in reading it; and, although frequently asked for it, he would not yield it up. At last he called the landlady, and said that, as the newspaper contained an interesting account of a particular friend of his, he should like to take the paper with him. The landlady urged the great disappointment the loss of the paper would be to her customers; but a large bribe offered for the paper settled the question; she could not deny so nice a gentleman any thing.

When the landlady had retired, Stephenson put the newspaper into the fire; and when it was entirely burnt, he said to his companion, "Thank God! we are now safe. That paper contained a full description of both of us; and if any of the people here had seen it, all would have been lost." On that day they succeeded in getting on board of a vessel bound for Savannah, which place they reached on the 27th of February.

No event ever excited so painful a sensation in the city as the case of Rowland Stephenson; it seemed to dissolve the ties which bind men together in a business where honor is held almost universally as the governing power. The bankers felt it as a stain upon them, and exhibited a dejected and downcast appearance; and it was long before they recovered from the shock. It was worse than half a dozen failures. (See Times Newspaper, 10th January, 1829.)

The London bankers, during the war, had discount accounts with the Bank of England, and many continued them after the peace; but first-rate bankers make it a rule to avoid discounting with the Bank, their

own resources being generally sufficient. But during the panic of 1825-26, it was observed that banking-houses of the highest character, houses which had hardly ever been known to apply to the Bank for discount, found it necessary to do so. The alternative of such bankers was, either to withhold assistance from the country bankers in their connection, at the risk of compelling them to suspend their payments, or to afford supplies by sending in bills for discount to the Bank. They preferred the latter, and supported many country bankers, who but for this must have failed.

Independent of the discount accounts, nearly all the bankers have what they call drawing accounts at the Bank, or, in other words, deposit accounts. The average weekly amounts of these deposits, according to a return of the assets and liabilities of the Bank of England, in 1840, was £ 730,075 9s. 5d.

The great importance of the banking system is clearly demonstrated by the amount of money belonging to the public held by the bankers in the United Kingdom, which amount is estimated at upwards of £ 100,000,000. The amount of money actually circulating through England, Scotland, and Ireland, including what is usually denominated paper money, is about £ 70,000,000. This sum corresponds with the amount of money put in circulation by the several bankers in the United Kingdom, being about two thirds of their deposits; and assuming that £ 30,000,000 of the above amount is in deposit with the Bank of England and the London bankers, who allow no interest on deposits, and assuming further that two thirds of this sum are laid out at five per cent. interest, it follows that a profit equal to £ 1,000,000 is annually made and shared among the metropolitan banks, and that the sum of £ 10,000,000 is at all times lying in the coffers of the London banks unproductive either to the banks or the depositors. The profits of London private bankers are derived from various sources, the principal being the interest realized by the use of the balances left in their hands, which they lend out in the shape of discounts or loans to those customers whose operations compel them to have recourse to their banker for assistance.

A considerable profit also accrues by acting as agents to country banks. The agency business for country bankers is not, however, always the most desirable; because such bankers are frequently compelled to have recourse to their London correspondents for assistance, and generally at a time when the London bankers require all their resources themselves.

Some country banks pay the London banker a fixed annual sum for conducting their agency business; others allow a commission on the amount of the transactions during the year. There are many country bankers who pay no commission, but who leave a sum of money in the hands of their London agents in the nature of a deposit, against which they are not permitted to draw. In a word, the sum, which varies from £ 4,000 to £ 30,000, is altogether withdrawn from the general account of the country banker, and placed to another, called "The Deposit Account." On all stock in the public or other funds purchased or sold

by the banker for his customer, he is allowed one half of the commission charged by the broker.

There are several causes, however, at the present day, which operate against the increase of the profits of the private bankers of London. The first, and indeed the most important, is the introduction of metropolitan joint stock banks; the second, the large amount of deposits in the savings bank, which is nearly equal to £ 30,000,000; these deposits, although for the most part the property of the industrious and frugal of the productive and poorer classes, belong also to the middle class of society; and before the introduction of savings banks such spare capital generally found its way into the hands of the bankers, with whom it was considered, though not a profitable, yet a safe investment.

The practice of transmitting money from one part of the kingdom to another through the agency of the post-office has also diminished the profits of bankers. This practice has of late increased to such an extent as to make it necessary to erect a separate building, having all the elements of a bank, near the post-office, for the purpose of exclusively conducting this description of business.

One of the causes of the success of the private bankers of London has undoubtedly arisen from the circumstance, that the government has seldom or never interfered with their business, a fact which ought to be strongly impressed on the minds of those who fancy that legislation can be applied with profit to the arrangement of transactions with individuals. And we are consequently enabled to close our history of London bankers without reference to any legislative restraints whatever, as applicable to that important and highly respectable class of the community.

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**GRAND JUNCTION RAILROAD AT BOSTON.**—The Grand Junction Railroad Company was chartered by Massachusetts in 1847, with a capital of \$1,200,000, for the purpose of constructing a line of road to connect the Eastern, Boston and Maine, Fitchburg, and Boston and Lowell Roads, with the depot grounds of the company in East Boston, where they have ample wharf and storage room for the accommodation of the extensive business which it is expected their enterprise will command.

The grounds of the company consist of some 30 acres, the greater portion of which is made land, inclosed in a very substantial sea-wall, 2,395 feet in length. These grounds front on Marginal Street, directly east of the Cunard steamers wharf, and their piers extend to the Commissioners' line. These piers are eight in number; four of them 350 feet in length and 75 in width, and the others of somewhat less length. They have been constructed of oak, and are built in the most substantial manner.

The company's grounds are accessible from the open sea on the south to the largest class of ships, and the docks are protected from the easterly and northeasterly storms. They contain 1,465,920 square feet of land, piers and docks, divided as follows; namely, 1,058,251 square feet of land, 183,195 do. oak piers, 224,474 do. docks; and have a frontage on Marginal Street of 1,650 feet in length. Besides the above, the company owns about 456,721 square feet of land, with a water front of 1,000 feet, near the bridge over Chelsea Creek. The real estate owned by the company comprised in these two lots amounts to 1,925,641 square feet, including 9,351 feet in length of wharf accommodations, in the deepest and best part of the harbor for commercial purposes. The railway will extend from the company's depots at East Boston, where warehouses are to be constructed by this and other companies (as stated above), through Chelsea and North Malden, to the Boston and Maine Railroad in Somerville, north of the Middlesex Canal, and will intersect the Boston and Lowell, and Fitchburg Roads in Somerville, near the present crossing of these Roads.—*Boston Journal.*

## JUDGE STORY AS A BANKER.

THE following letter from J. W. Treadwell, Esq., one of the oldest bankers of Salem, will show that the labors of Judge Story were not confined to his profession, and is also interesting as showing his scrupulousness of morals. (*Life and Letters of Judge Story*, Vol. I, p. 204.)

SALEM, August 25, 1847.

MY DEAR SIR. . . . . My first acquaintance with your father commenced in early life, when he was first established in the practice of his profession in Salem. For the first few years, I only knew him as an eminent lawyer, distinguished for his ability in his profession, and prominent in politics as a member of the old Republican party. At that period the spirit of party politics was, as you are aware, carried to an extreme which interrupted, in a good degree, the social intercourse even of families. The interruption of our commerce by restrictions at home and abroad, antecedent to the year 1812, had induced me to retire from the business in which I had been engaged, as factor in the East India trade. Your father, while a member of the Legislature of Massachusetts, exerted his influence to obtain acts of incorporation for the State Bank in Boston, and the Merchants' Bank in Salem, the capital stock of which was almost exclusively owned by members of the political party then prominent.

About this period, private clubs of gentlemen of the same political party were not uncommon, and I became a member of one of those, consisting of twelve gentlemen, of which your father was one. We met weekly, on Friday evenings, at each other's houses, alternately. The object of the club was not exclusively political, but free and frank intercourse upon all subjects was indulged in; a kind and social spirit pervaded it, and it was made a means of mutual instruction and improvement. I almost now seem to have a recurrence of the feelings I then enjoyed, and to hear the animating tones of your father's voice, and the joyous shout of the company, at some of his peculiar and striking remarks! This club continued to meet weekly for over twenty years.

At the organization of the Merchants' Bank, your father was elected to the Board of Directors, and I was invited to go into the bank as one of its officers. As cashier of the institution, to which I was subsequently elected, I was brought into close intimacy with him; and yet a closer one, upon his election to the presidency of the bank, in a couple of years afterwards. I owe much to him of whatever is valuable in my business habits. To your father was committed the duty of drafting the by-laws of the bank, and establishing rules for the conduct of its business. He was determined that it should be honorable and above-board in all respects. A habit had always heretofore existed in our banks, of demanding payment of business paper discounted, if a renewal was asked, three days before maturity of the paper, that is, the three days of grace were so much gained by the bank. This he said was decidedly usurious, and no such custom should be countenanced. A change of the custom in all the banks in the town was the consequence.

He consulted me on his receiving a letter from Washington intimating that President Madison was about to nominate him an Associate Justice on the Bench of the Supreme Court of the United States. The letter, I think, was from Mr. Bacon. He stated that he was in the receipt of a large income from his professional business, and that the pecuniary sacrifice was such, that his first impression was unfavorable to the acceptance of the office. After this period, having taken his seat upon the Bench, his attention became necessarily diverted from the affairs of the bank, but the stockholders annually reelected him, and he occupied the office until August 22, 1835, several years after his removal from Salem to Cambridge. His attention, however, was only requested to the most important of its affairs, and his legal opinion sometimes asked. . . . .

What I have said in relation to the former custom of our banks, in appropriating to themselves the days of grace on commercial paper, was only one, out of many deviations from strict honesty, which he condemned. Any thing like circumvention, or a covert mode of adding to the gains of the bank, in any shape, was sure to meet his prompt and decided negative. The right and the wrong, he said, were clearly defined in all human affairs, and no sophistry could obscure, no art unsettle them. A few years after the Merchants' Bank had been in successful operation, under his administration, one of the old Salem banks was ruined by the unfaithfulness of its officers. This event alarmed him, and he appealed to it with great force while inculcating his stern principles of probity and uprightness at the directors' board. I shall never forget the ardor of his manner, in his appeal to it, as a cause of watchfulness over each other, among all officers of special trust and responsibility.

About this period, I had received from a friend then travelling in Europe a printed account of the organization of the first Savings Bank established in London. I had before been made familiar with the principles and objects of Savings Banks, by some notices in the *Edinburgh Review*, which had also attracted the attention of your father. We both became deeply interested in the subject, and thought that a Savings Bank must be at once established in Salem. This was done. He was one of the first board of trustees, and continued so until his removal to Cambridge. He foresaw the advantages which must follow its establishment, and predicted, at our first consultation upon the subject, that a new era was about to open for the benefit of the industrious poor; and no prophecy was ever more truly fulfilled. It has been my privilege to be one of the managing officers of the bank from that day to this. Its funds have swelled to a sum now exceeding one million of dollars, owned by over five thousand depositors; and what is most remarkable, in the nearly thirty years of its existence, it has never lost a dollar by bad debts or investments.

Not only in this, but in all our public improvements, your father took an active and prominent part. Was a new alms-house or school-house to be erected, he was one of the building committee. To him we owe more than to any one else the existing excellent condition of the streets

of our city. Our sidewalks were formerly paved with shapeless and uneven stones; at his suggestion and by his exertions in town meeting, dressed curb-stones were furnished, at the public expense, to all land-owners who would pave the sidewalks before their premises with brick. The effect of this proposition has been, to beautify our public streets to a degree not surpassed, perhaps, in any city of the Union. He was deeply interested in improving the means of education, and served, with his accustomed fidelity and zeal, for many years, on our school committees. But I am only recounting what all are familiar with, and will only add, that if you can find, in any thing I have stated, what may be useful to you in your work, I shall be gratified.

With my kindest regards to your mother and friends, believe me, very truly, yours, &c.

JOHN W. TREADWELL.

WM. W. STORY, Esq.

#### JUDGE STORY'S DECISIONS IN BANKING CASES.

In the year 1819 the case of *M'Culloch v. The State of Maryland* was decided in the Supreme Court of the United States. In reference to this case, Judge Story says, in a letter dated March 7, 1819:—

“We have decided the question as to the right of the States to tax the Bank of the United States, and have declared that they have no such power. This decision excites great interest, and in a political view is of the deepest consequence to the nation. It goes to establish the Constitution upon its great original principles. You, perhaps, from your retired life, may hardly think it possible that such should be the case; but if you mingled with the busy circles of politics, or took an interest in the objects of governments and statesmen, you would readily admit its fundamental importance to the existence of the government.”

In a letter dated March 3, 1819, he says:—

“For more than a week last past we have been engaged in the cause of *Maryland v. The Bank of the United States*, on the question of the right of a State to tax the bank. Mr. Pinkney rose on Monday to conclude the argument; he spoke all that day and yesterday, and will probably conclude to-day. I never, in my whole life, heard a greater speech; it was worth a journey from Salem (to Washington) to hear it; his elocution was excessively vehement, but his eloquence was overwhelming. His language, his style, his figures, his arguments, were most brilliant and sparkling. He spoke like a great statesman and patriot, and a sound constitutional lawyer. All the cobwebs of sophistry and metaphysics about State rights and State sovereignty he brushed away with a mighty besom. We have had a crowded audience of ladies and gentlemen; the hall was full almost to suffocation, and many went away for want of room. I fear that this speech will never be before the public, but if it should be, it will attract universal admiration. Mr.

Pinkney possesses, beyond any man I ever saw, the power of elegant and illustrative amplification."

**BANK OF THE UNITED STATES v. BANK OF THE STATE OF GEORGIA.** —

In the beginning of the year 1825, Judge Story attended the session of the Supreme Court at Washington. The most important judgment pronounced by him during this session was in the case of *The Bank of the United States v. The Bank of the State of Georgia*. In this case, the effect of a payment to a bank in forged paper is thoroughly and ably discussed. The rule asserted is, that although a payment in forged paper or in base coin is not ordinarily good, yet that this rule does not apply to a payment made *bonâ fide* to a bank *in* (what purports to be) *its own notes*; and if it receive those, which are forged, without objection, it must, in the absence of all fraudulent intent on the part of the payer, bear the burden of its negligence or ignorance. It also lays down the doctrine, that bank-notes are a good tender, unless specially objected to. This is a leading case on these points, and is drawn up with much ability and care. (*This important case occupies nine pages of the Bankers' Magazine, Vol. II. pp. 280 - 288, with remarks from Holcombe's "Leading Cases in Commercial Law"; and is a case with which every banker should be familiar.*)

**BANK OF THE UNITED STATES v. DANDRIDGE.** — Of the cases decided by the Supreme Court during the session of 1827, that of the *Bank of the United States v. Dandridge* (12 Wheaton's Reports), breaking down the artificial distinction between presumptions of law arising from the acts of individuals and of corporations, is the most important. The suit was brought by the bank upon a bond by one of the cashiers for the faithful performance of his duties, which had not been formally approved by record of the bank, and the question was, whether the fact of approval could be shown by presumptive evidence. It was held that it could, — the presumption as to the public appointment and powers of persons acting publicly as officers of a corporation being the same as if they acted for private persons, unless such presumption be in contravention of the express requisition of the charter. This case opens much of the law relating to corporations, and is a leading one on the subject.

**REMOVAL OF THE DEPOSITS.** — The views of Judge Story upon this measure are summed up as follows: —

1. The Secretary is the chosen agent or umpire of both parties, as to removal or non-removal.
2. His discretion is not limited to cases of danger to the deposits, but extends over the whole field of political discretion.
3. He must *bonâ fide* exercise it independently and for himself.
4. The President has no right to interfere in the business in any shape.
5. If he does, and the Secretary acts in pursuance of his orders, influence, or control, and without an independent exercise of his own judgment, he violates his trust. It is a wrong to the bank and to its rights.
6. The State banks have no proper authority to enter into such contracts as are stated, and the Secretary has as little right permanently to



bind the United States in any arrangements of this sort. It is beside the common duties of his office, and requires express authority.

The following extract from a letter of J. W. Treadwell, Esq. is interesting in this connection. He says: —

“An event occurred while your father was President of the Merchants' Bank in Salem, and residing in Cambridge, which I ought not to omit. It is well known that, on the accession of General Jackson to the Presidency, he adopted the rule of ‘rewarding his friends and punishing his enemies.’ The Merchants' Bank had always, since its establishment, been the depository of the funds of the United States Treasury, which had often been large, and contributed to swell its dividends. A memorial was forwarded by one of the other banks in Salem, asking that the United States deposits should be removed to it, and among other reasons for the removal it stated, ‘that the President and Cashier of the Merchants' Bank, particularly the latter, being bitter, uncompromising opponents of the administration, their whole means and influence are employed in thwarting its measures, and endeavoring to excite the people against it.’ An answer to this memorial was drawn up, by direction of the Board, and forwarded to your father for his inspection and approval, and I have the original draft now before me, with this interlineation upon the charge in his own handwriting: —

“‘The directors hardly know in what manner to answer the charge, without using the most severe language, at once expressive of astonishment and indignation. In relation to the president of the bank, the high judicial office which he holds places him beyond the sphere of political excitements and connections, and it is notorious that he has withdrawn from political strife and party exertions ever since he first took his seat on the Bench. At the same time, he claims, in common with every other citizen, the right decently to express his opinions in regard to public men and measures, whenever he may deem it expedient. But that he has ever exerted any influences, as president, in or out of the bank, to the injury of the present administration or its friends, is utterly false. There is not even a color of pretence to sustain the charge.’

“I ought also to say, in justice to the high-minded courtesy of the Secretary of the Treasury, Mr. McLane, that a copy of this memorial was at once transmitted by him to the Merchants' Bank. It is almost needless to say, that the public money was left undisturbed in the Merchants' Bank.”

**COMMONWEALTH BANK OF KENTUCKY.** — The next case is *Briscoe v. The Bank of the Commonwealth of Kentucky* (11 Peters's R. 257). This was a question, whether the act of Kentucky, establishing this State bank and authorizing it to issue bank-notes in the usual form, was unconstitutional, as infringing the clause in the Constitution prohibiting the States from issuing “bills of credit.” The Court held (Mr. Justice McLean delivering the opinion) that the act was constitutional, and that, to constitute a bill of credit, it must be issued by a State, and contain a pledge of its faith, and be designed to circulate as money. In his dissenting opinion, my father goes into an elaborate historical review of “bills of credit” in the Colonies and during the Revolution, to prove

that a bill of credit "signifies a paper medium, intended to circulate between individuals, and between government and individuals, for the ordinary purposes of society," according to the definition given by Chief Justice Marshall, in *Craig v. The State of Missouri* (4 Peters's R. 426), and that it is not essential that they should be a legal tender, nor that their circulation should be enforced by statutable provisions, nor that they should contain any express promise by the State to pay them, on which credit is given, nor that they should be issued directly by the State and in its own name. He also argues with great force, that, as the charter in this case was for the sole benefit of the State, by whom all its officers were appointed and removed, and under whose direction the whole affairs were carried on, — and as the State owned all the funds and securities of every kind belonging to the bank, — the bank was the mere agent of the State, and the fact that the notes were issued in its corporate name did not at all prevent them from being an issue by the State on its credit, and therefore an unconstitutional issue. This opinion is very able and finished. There is a glow of conviction in its tone, and an animated warmth of expression, when vindicating the constitutional views of Chief Justice Marshall, which render it peculiarly interesting. It concludes with the following paragraph : —

"I am conscious that I have occupied a great deal of time in the discussion of this grave question; a question, in my humble judgment, second to none which was ever presented to this court, in its intrinsic importance. I have done so, because I am of opinion (as I have already intimated) that upon constitutional questions the public have a right to know the opinion of every judge who dissents from the opinion of the court, and the reasons of his dissent. I have another and strong motive; my profound reverence and affection for the dead. Mr. Chief Justice Marshall is not here to speak for himself; and knowing full well the grounds of his opinion, in which I concurred, that this act is unconstitutional, I have felt an earnest desire to vindicate his memory from the imputation of rashness or want of deep reflection. Had he been living, he would have spoken in the joint names of both of us. I am sensible that I have not done that justice to his opinion, which his own great mind and exalted talents would have done. But, with all the imperfections of my own efforts, I hope that I have shown that there were solid grounds on which to rest his exposition of the Constitution." (*Life and Letters of Joseph Story*. Boston, 1851.)

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**AMERICAN BANK LOCKS.** — A company has just been formed in London, under the title of Hobbs's Patent American Lock Company," for the purpose of manufacturing and bringing into public use in England Day & Newell's American Bank Lock. The company is provisionally registered, according to act of Parliament, and the capital proposed to be raised is fifty thousand pounds, in ten thousand shares of five pounds each. A large proportion of this amount is already subscribed. There are three trustees and five directors. The trustees are Mr. Scholefield of Birmingham, and Messrs. Kennard and Pickersgill of London. Mr. A. C. Hobbs is appointed managing director. The locks will be manufactured immediately at Wolverhampton, and will be offered to the public at prices varying from six shillings to fifty pounds each.

THE ADAPTATION OF RECENT INVENTIONS TO THE  
PURPOSES OF PRACTICAL BANKING.

A PRIZE ESSAY.

BY GRANVILLE SHARP, OF NORWICH, ENGLAND.

## PART II.

*(Continued from page 684, March No.)*

**VENTILATION.** — This subject is one of such vast importance, and yet one so generally and almost entirely disregarded, that considerable diffidence is felt in endeavoring to point out some of the facilities offered at the Great Exhibition for its accomplishment. Fresh air has been well described as the food, as well as the breath, of life; and to those who, owing to their inactive pursuits, breathe less than others, it is more important that the quality of the air should be most unexceptionable. Within the last two or three years only has this subject been at all generally considered, although lately numbers of interesting books and pamphlets have been published upon it. Ventilation seems to divide itself into two parts, quite distinct in themselves, yet bearing one upon the other; viz. the introduction of fresh air, and the carrying off that which is exhausted, or foul. The latter has been long recognized, and in public buildings to some extent provided for by openings in roofs, &c.; although in most banking establishments even this seems to have been too frequently overlooked. The former has been overlooked in the architecture of buildings generally, and neglected on account of the difficulty of accomplishing it without producing inconvenience. In summer, the evil is lessened, as windows and doors can then be opened with impunity, and the draught up the chimney is less. In winter, every precaution is taken to exclude the air by double windows and doors, and other appliances, and just in proportion to the success of these expedients, and the amount of fire kept up, is the rush of cold air when a door or window is necessarily opened. Thus a change of rooms becomes essential, and when this cannot be obtained, or when at busy periods the banking hours are much prolonged, great inconvenience is experienced from the vitiated air.

Perhaps at the present time there is not one room in a thousand provided with any means of continuous ventilation; indeed, with our present fireplaces, this seems impossible; but with some other plan for supplying the chimney draught, it is presumed we might with great comfort employ Lockhead's perforated glass, manufactured by Swinburn & Co., for some of the window squares; or Naylor's new glass ventilator, very suitable for a window square, and almost frictionless. Moore's patent lever ventilator is admirably adapted to the same purpose.

Other kinds are designed to be fixed in the wall. The little ventilating window by Hart & Sons is deserving of notice; it has a self-acting safety bar to prevent its being opened or shut violently by the wind.

The ventilating bricks and windows manufactured by Warner & Sons are made ready to be built into a wall, and, the frames being of iron, form with the glass most durable ventilators.

The specimen exhibited by Mr. J. H. Boobyer, of Harrison's registered Venetian ventilator, is extremely ornamental, and well suited to a papered or a colored wall. The ventilating facilities afforded by the use of Ridgeway's hollow bricks must not be overlooked; the wall being thus formed of a complete series of air passages, a communication may readily be opened in any part with the external atmosphere; and for this purpose some little iron valves are used in Prince Albert's model cottages. Sherringham's ventilators, manufactured by Hayward Brothers, would be applicable to this purpose; although it may be questioned whether the air will be found to take the precise direction desired.

But one other ventilator demands attention, viz. Dr. Arnott's chimney-valve, which is really valuable. All attempts to ventilate rooms as at present constructed, by the occasional opening of a door or window, are insufficient, the warm air being lighter than the cold. Just as a bottle of oil inverted in a stream of water remains full, because the oil is lighter than the water, so the part of the room above the level of the chimney opening remains full of a poisonous gas, because it is lighter than the current of pure air which passes from the door to the fireplace; and it will be remembered that the portion of the air which is breathed by all but children is *that part above the fireplace*.

For the complete working of these ventilators, which are manufactured in great variety by Mr. Edwards, it is obvious that an increased supply of air is necessary; this it is proposed to bring from a valve in the door, which may be very well, when the exhaustion by the chimney is otherwise supplied; but at present some susceptible folks might well object to sit midway in such a draft, if there be any truth in the Chinese proverb,—"Avoid a current of cold air from a narrow passage as you would the bite of a serpent." It should be borne in mind that every man requires four cubic feet of fresh air every minute, or a quantity twice his own size, and that a common candle destroys as much, and gas-burners much more; and we trust that such a happy combination of ventilating expedients may be adopted in banks generally, that fresh air may be obtained, and no one inconvenienced.

**HEALTH AND COMFORT OF BANK CLERKS.**—It has been found to be very necessary to change the air of rooms as frequently as may be, and upon the same grounds it might be shown to be desirable to avoid all sources of unnecessary contamination; one very frequent source is the smell arising from drains, cesspools, sinks, &c. Some very efficient effluvia traps were exhibited. That made by Messrs. Bunnett is self-acting and self-cleansing, and with a fine grating would act very well in situations where there is a considerable flow of water, and where the fall of the drain is sufficient to carry every thing away. The trap made by Messrs. Wilson and Woodfin is admirably adapted to cases where some amount of sand or sediment has to be removed, and where the fall of the drain is not sufficient to carry it away. For the same situations, and especially for sinks, and also for lavatories, Lowe's patent effluvia-trap gratings,

or stench-trap grids, are very useful; by those the usual syphon bend in the pipes from hand-basins, which is adapted as a cheap means of forming a trap, might well be dispensed with; thus avoiding the evil arising from sand being washed down the basin and lodging immovably in this bend, whereby the pipe is obstructed.

Clark's self-acting valve trap is also very good, and exceedingly simple in its construction, being specially adapted for sinks, &c.

This very comprehensive division of "Health and Comfort of Bank Clerks" seems to invite a suggestion as to whether it might not be desirable in all establishments where the persons employed are numerous (and why not in banks?), to have fitted up, for occasional use, a warm-bath apparatus. This may cause some to smile, but, upon a little consideration, it may appear by no means unreasonable. The desirability of such an indulgence occasionally will not be disputed. Then it will be remembered that a large proportion of bank clerks are in lodgings, that the expense of warm-bath furniture is very considerable, and that, practically, very few houses are so supplied. Also, that the occasions when a warm bath is most useful are those of slight cold, or some other little ailment, which requires attention, although a diligent and active clerk would not wish to be detained at home by such complaints. In such cases, perhaps, a cold would be increased by walking to a distance, and returning afterwards, and the expense of a cab added to that of the bath would probably amount to four or five shillings, which, in many cases, would be prohibitory.

The bath would be but an adjunct to the usual lavatory, and the same room might suffice for both. The heating apparatus is so simple, that very little contrivance is necessary for that. It may be connected with the warming arrangements for the bank, or a little stove may be applied purposely, as in some of the baths referred to below.

The most delightful bath at the Exhibition is made by Mr. Finch, lined with porcelain tiles, the edges and corners of the bath being all turned and rounded, presenting a surface necessitating cleanliness.

Mr. Benham's copper bath is beautifully fitted up, with polished mahogany case, and combines facilities for hot, cold, shower, and vapor bath, price £23; but it may be questioned how far *polished mahogany* is suited for the purpose.

Those made by Messrs R. & W. Wilson are intended to save the cost of a wood frame, in which all baths with taps and levers for hot and cold supply, and waste-pipes, have hitherto been fitted, whilst at the same time an ornamental character is given them; indeed, the ten different specimens exhibited are well deserving of attention. They are made of the best "charcoal iron plates" tinned by themselves. The most suitable for the purpose alluded to would be the "Grecian bath, with taps and levers," square, white inside, and imitation Sienna marble outside.

Where no facility exists for obtaining hot water, the baths combining heating apparatus with their construction may be employed. Messrs. Tyler & Son have given much attention to the construction of bath apparatus, and have published a little pamphlet of their various contriv-

ances for heating. Their "villa" warm bath, with small heating stove, is very compact; price £ 15 15s., subject to five per cent. discount, and is completed for connection to the cold and waste-water pipes. Mr. R. Dale also exhibits an improved warm bath and heating apparatus, and Messrs. Warner & Sons the same.

The lavatories in the retiring rooms at the Exhibition have been so much appreciated, that it is almost needless to call attention to them, except to point out the superiority of those having the back and horizontal slabs, to prevent the water from splashing the walls, &c. These are termed "complete fountain hand-basins."

The hand-basins exhibited by Mr. Jennings have a very elegant appearance. The cocks are self-closing and exceedingly simple, and the waste-cock prevents the possibility of impure air rising. They work below, so that nothing is visible but the engraved "pulls." The water rises from the bottom of the basin like a fountain. In connection with these the glass pipes with patent joints, manufactured by Messrs. Swinburn, may be noticed, as very suitable for *rain-water*, with which hand-basins should be supplied, and for the conveyance of which lead is unsuitable, the rain-water, on account of its comparative purity, acting more powerfully on the lead than that from springs or rivers, and causing a poisonous quality in the water, which, if accidentally drank, might be attended with serious injury.

III. There are worthy of notice one or two "*discoveries in the Fine Arts, by which the interior of a bank may be decorated.*" Few persons can have passed round the Colored Glass Gallery without being struck with the imposing decorations, consisting of full-sized representations of distinguished individuals, by Mr. Norwood. The figures apparently in carved oak upon a crimson ground; the skirting and cornice being quite consistent with the rest; so that it is difficult to realize the fact of its being a perfectly plane surface. These figures are printed from blocks, at a very cheap rate. Mr. Norwood has eleven figures, viz.:—Her Majesty the Queen, H. R. H. Prince Albert, Lord Nelson, Sir Robert Peel, Shakspeare, Milton, Lord Byron, Robert Burns, Sir Walter Scott, Ceres and Mercury—emblems of Agriculture and Commerce. These, although the execution is by no means rude or coarse, are printed at 3s. 6d. each; and it would seem that, if arrangements could be made with Mr. Norwood for the representation, in this way, of some eminent and distinguished bankers, such portraits might form a very suitable decoration for the board room; and thus, at a trifling cost, perpetuate the memory of those who ought not to be forgotten. Horn's carved oak decorations, with knotted oak panels, are magnificent, and are an excellent imitation of polished oak of the finest grain. These can be had of any tint or color; and are said to be extremely durable,—the varnished surface admitting of the wall being cleaned. Price, from 21s. to 30s. per piece.

As an interior decoration, the imitation marbles, painted upon wood and slate, might be used. The coloring surface upon the slate seems very firm; and the specimens exhibited by Mr. Hopkins, Mr. Smith, and Mr. T. Stirling, Jr., are especially worthy of notice, on account of their

beautiful resemblance and fineness of grain. A variety of circumstances have lately conspired to make a general and comprehensive knowledge of geography extremely necessary, if not in the daily routine, at least in the occasional varieties of a banking business; and *maps*, used as decorations of a room, tend greatly to facilitate its acquisition.

Their size and their selection would, of course, be dictated by the situation, and by taste and other circumstances. If intended to hang constantly, they should be well varnished; and Mr. Manning's varnish, made without the aid of heat, looks very well upon the maps exhibited.

For embellishments generally, and for ornamenting ceilings, the patent earthenware, for which Mr. Hayes is agent, is recommended by its imperishable and cleanly character,—requiring no renewal; and, when fixed, not likely to get chipped and broken, like plaster. It admits of a very high degree of ornament, and in color is perfectly unchangeable. The specimens, in sharpness of outline, appeared equal to any wood-carving or plaster impressions, if not to gutta percha.

This same material, in a plainer character, as also glass, seems well adapted for external use;—for lettering, for bell-pulls, and a variety of small matters, for which brass, &c. are at present used,—necessitating daily labor in polishing their surface.

Some of the *letters* exhibited by Mr. Lee are quite elegant.

#### IV. *Discoveries by which the bank furniture may be rendered more commodious.*

This subject comprehends much of the minute; which, however, should not pass altogether unnoticed. The first object which presented itself was an alarum bedstead,—suggesting to bank officials the idea of *punctuality* in the morning, and the thought may not be altogether worthless for the winter of 1851.

**DOOR BALANCES.**—Mr. John McClure has invented a very great improvement upon our common door-springs.

These are usually weakest when the door is shut, and stiffest when the door is opened wide; just the very reverse of what they should be. "The balances" are heaviest when the door is shut, and quite light when open. These are not in the market yet, having only recently been registered; but, from the models exhibited, they bid fair to supersede the springs. The A balance, with double connection, for bank doors, would be the best; they can be applied in various positions; the best place would be at the bottom hinge. The apparatus will be contained in a cast-iron box, about nine inches square and five inches deep, which is to be sunk into the floor; and the balance-weight requires a depth of from nine to eleven inches to work in.

For ordinary light doors, Scott's *silent spring*, of vulcanized India-rubber, may be useful, on account of its cheapness, viz. 2s.

The passing from one room to another may be much facilitated by Windle and Blyth's *registered bevel lift-latch*, which, by simply pulling the knob towards you on one side, or pushing it from you on the other, opens the door; the words "Pull," "Push," being engraved on little ivory plates on either side.

**Self-acting Door Fastenings.**— In a retired corner of Class 22 was placed the model of a door fitted with improved fastenings, made by Mr. Greenfield expressly for the Great Exhibition. These fastenings are modifications of those at present in use, with some slight additions. He has arrived rather scientifically at the conclusion, that his latch requires only one eighth of the force usually necessary to close a door; and asserts, that these fastenings are not liable to get out of repair for many years, however rusty. The door is made to close without noise or vibration, and cannot be left ajar. When the fastenings are attached for the night, the shutting of the door locks them, and they then require two hands to operate at *different* parts to open them,—this being a security against the plan of cutting a hole through the door to shoot the bolts. It is to be regretted that these fastenings cannot possibly be *described* intelligibly without an illustration; but they will well repay the trouble of inspection. Mr. Greenfield offered to put the additional fittings to a lock and two bolts adapted to an ordinary size front door for 5s. The principal value seems to be additional security without additional trouble.

**FLOOR CLOTH.**— For quietness and durability the “Kamptlicon Floor Cloth,” manufactured by Walter & Gough, is peculiarly distinguished. The price, however, is very high.

**SCRAPER AND FOOT BRUSH.**— That which tends to promote cleanliness in an office where a number of gentlemen pass so large a portion of their lives, cannot be called trifling or useless. The “improved hall foot-brush,” registered by Thompson & Co., is of this class; and it may be well to notice here the importance of daily sprinkling the floors before sweeping, to avoid the needless accumulation of dust upon bookshelves, papers, books, &c., whence it is very unpleasantly transferred to the fingers of those who handle them. There is a prejudice against this method, because it stains the floor; but better stain the floor than spoil the books and soil one’s hands. The “hand pressure table bells” should also be noticed, as being very suitable for a manager’s room, manufactured by Simcox, Pemberton, & Sons; as may also the German thermometers, to be had of Mr. Pritchard, Fleet Street, for which our Continental neighbors are so famous.

Harcourt Quincey’s “patent pedestal coal-vase” is deserving of attention,—saving the trouble of lifting a heavy coal-scuttle, and the occasional inconvenience of an empty one. The “folding library steps,” made by Mr. Ell, would be found very serviceable, on account of their lightness, strength, and firm standing; well adapted for bank rooms with high shelving. The sides are bowed, and the steps, which are dovetailed into them, have risers tongued to their backs. These make a thin, light piece of wood, as strong as a thicker and heavier piece would be without them. Those at the Exhibition, French-polished, with lacquered hinges, price £3 10s.; same in American ash, £2 5s.; and in deal, £1 15s.; and if made higher, proportionately more.

**FIRE ANNIHILATOR.**— Phillips’s patent fire annihilator, unless its power is greatly exaggerated, would form a very valuable adjunct to the



furniture of banks, where the destruction of books might be irreparable. Its great advantage seems to lie in immediate readiness for action, thereby affording the opportunity of checking a fire at its commencement.

**VENETIAN BLIND.** — The new Venetian blind, made by Hopkins and Son, is a great improvement on those in ordinary use. It is drawn up and lowered by one single cord. By drawing the cord a little "*from*" the window, the blind drops to any position you may require, and becomes fixed by bringing the cord again into a *perpendicular* position; thus dispensing with the knots and hooks necessary hitherto.

For an ornamental table or slab, the imitation marble on glass, exhibited in Class 24, Nos. 37, 38, 39, and 40, appeared very suitable, and would probably be cheaper than real marble. The Sienna sample, No. 37, is an excellent imitation.

**BANK COUNTER AND MONEY DRAWERS.** — There is in the new office of the National Bank of Scotland, Glasgow, a beautiful counter, of novel construction, having a sort of demarcation line between that portion appropriated to the customer, and that retained exclusively by the bank officials; and in connection with the various specimens of glass exhibited in the Crystal Palace, the idea occurred, whether the friction, in telling coin upon wood, might not be diminished by substituting some mineral or metallic surface; possibly of glass, which would admit of being easily cleaned. The quality of the "ring" produced would be of much importance, and this could only be discovered by experiment. But whether glass counters would do or not, there can be little doubt that moulded glass or glazed earthenware money boxes for counter drawers would answer well, and might be made much cheaper than the elliptical mahogany boxes, turned by an eccentric lathe.

**SAFETY COLLECTING BOXES.** — In the press of business, a place of safety, immediately accessible, is necessary, for bags of coin, paid in by customers, and set aside to be told at leisure. The railway collecting boxes, made by Mr. Fisher, seem applicable to this purpose; the bags being put into the top, the shutting of the lid causes an open cylinder to revolve, and the bag falls to the bottom; it cannot then be seen or touched from the top opening, but can be removed by unlocking a door in the side. It will be observed that small "bags" of coin offer such peculiar facilities for appropriation, that they should not be unnecessarily exposed.

**FIXTURE FOR TIN BOXES.** — The daring robbery at the London and Westminster Bank, in June last, suggests the necessity of some ready method of securing the tin boxes in which specie, notes, bills, &c. may be kept, in the immediate vicinity of the counter. These boxes might have some slight projection behind, fitted to a corresponding recess in the back of the ledge or shelf on which they stand. Several, being thus placed in a row, may be secured by a rising and falling iron bar in front, locked at one end.

**SPECIE TRAVELLING TRUNK.** — For the conveyance of specie from place to place, nothing, perhaps, unites ready portability and safety so well as a small thick leather or gutta percha trunk. That made by Mr. Motte, out of *one piece*, would seem suitable for this purpose.

The American riveted portmanteaus, Canada Department, No. 196, in which no thread or sewing is employed, obtain great strength and durability, by the rivet-heads projecting slightly from the surface; and for travelling with papers, &c., for the inspection of branches, or otherwise, the commodious bags, with improved fittings, exhibited by Mr. Meller, would combine many conveniences. It is lined throughout with best Morocco leather, has metal knobs at bottom to prevent wear, improved secret fastenings, four pockets, &c.; price 5½ guineas. This is of course made in the very first style. They may be of *enamelled* leather, and lined after the same design, for two guineas.

IMPROVEMENT IN PAPER. — The quantity of writing-paper used in banking business is such, that the price at which it can be obtained is of considerable importance; and this, together with the quality, would greatly determine as to its merit. The specimen-books of writing-paper by Mr. Ralph are deserving of attention, as uniting cheapness with good quality. Some improvements have been exhibited in *peculiar kinds* of paper, by which additional security may be obtained against fraud, and for the transmission of cash, &c. There are also some inventions for preventing fraud, which will be pointed out under the head "*Engraving*"; but *Saunders's water mark* claims attention here. Hitherto (with the striking exception of the Bank of England and a few others) bankers have sought to protect themselves from the imitation of their notes solely by expensive, elaborate, and extremely difficult engraving; and although the Bank of England protects HERSELF by certain secret and almost invisible marks, yet the public at large are constantly exposed to danger from taking bank-notes which, for want of these secret marks, are afterwards detected to be forged. The advantage, therefore, of obtaining additional protection from a *watermark* in the paper, difficult or impossible of imitation (except by a very few manufacturers), is manifest. The expense of a *variety* of elaborate watermark designs for different bankers is not necessary, it not being so much a matter of taste as of bare utility; and ONE very complete and rare design might serve, in the manufacturer's hands, for *bankers' note-paper* generally. This might then become a sort of guarantee with which the public would be acquainted, and would prevent the palming off of forged notes upon individuals who cannot at present judge, at a glance, of their genuineness. An additional security would be thus obtained at a very small additional expense, and one in the benefits of which the public would participate; and notes, instead of going out after breakfast and coming back to dinner, might not go home till the morning. The process has been patented by Mr. Saunders, and its principal feature is, that designs in *outline* and *in shade* can be introduced as watermarks into paper, they having hitherto been confined to words in Roman characters, or devices of the simplest kind, and in outline only.

Mr. Wilde's "*floreated writing-paper*" is also a very good specimen of watermark, and although a different process to that of Mr. Saunders, for all purposes of mere *outline*, seems sufficient. It is remarkable that this unequal thickness, by which we suppose the watermark is produced, should be imperceptible to the pen; practically, however, the surface of the paper cannot be *improved* by it for writing.

**CHECK PAPER.** — For business purposes, although not quite so handsome as an elaborately engraven check, printed in vegetable colors, the paper made by Nissen & Parker from chemically prepared pulp may answer well, especially as it immediately betrays the action of chemical agents. Thirty-two specimens of chemical application to this paper are exhibited, the effects of all being sufficiently obvious. The color of these checks renders the tracing of a signature impossible, two checks laid one upon another being quite opaque. The process is cheaper also; and these checks, although not so ornamental, have an advantage over some heavily engraved, which, if written on with pale ink, are hardly legible. The difference, of almost 20 per cent., between the cost of checks from the plate and those printed from type, seems rather considerable, and if some uncommon type were used, perhaps the security would be as great as in using engraved checks. Moreover, cases of forgery by an imitation of the check are very rare, the facilities for obtaining genuine forms being far too great; and until customers will co-operate with their bankers to prevent fraud, by rendering their check-books less accessible, the inimitable character of the check is of comparatively small importance.

**METALLIC PAPER.** The indelible character of style writing, upon Penny's improved metallic paper, may recommend it for some purposes where the use of ink is inconvenient; and being nearly, if not quite, as permanent, it might be useful for exchange and clearing books. The paper exhibited was remarkably easy to write upon, the unpleasant friction of the style being entirely absent.

**BROWN PAPER.** — The glazed brown paper exhibited by Venables, Wilson, & Tyler has some valuable properties. Its smoothness renders it very pleasant in use, and it is *firm, strong, and light*: this latter quality is of much importance; for the price of brown paper being very much regulated by its weight, the thinner the paper, compatible with the strength required, the more advantageous to the purchaser. The sample is fifty inches wide, and may be had in any length. It would be well suited to £5 silver parcels, and banking purposes in general.

Mr. Martin has invented a non-absorbent paper size, which he has patented. Instructions for its application can be obtained, at a moderate charge; and it might be very usefully employed for the brown paper used for bankers' parcels, which are often endangered by exposure to wet. In the specimens exhibited of prepared and unprepared blotting paper, the difference was most remarkable, — the one instantly absorbing the water placed upon it, and the other throwing it off immediately.

**BLOTTING-PAPER.** — This, being an article of large consumption in banking business, is of much importance. Its present condition seems capable of much improvement, and would well repay a little attention. The blotting-rollers are ineffectual, and the *blotting sheet* and hand seem the only alternative. Blotting-paper seems generally to be good in proportion to its rottenness, and *vice versâ*. It therefore is important to lessen the friction of the hand upon it, which progressively injures its absorbent quality, and causes it to tear before half saturated.

It would afford much facility if some glazed surface could be readily attached to a fold of blotting paper, of some twelve or sixteen thicknesses. These might be torn off as used.

**ENVELOPES.** — Notwithstanding the well-founded objections which have been raised against the use of envelopes, they are generally adopted; and, on account of their convenience, are especially adapted for inclosures. Much time is also saved in using them, as unnecessary folding is avoided. The newly invented *paper cloth* is well suited to parcels containing money or valuable documents.

*Stone's patent bankers' safety or parchment paper*, manufactured by Mr. Saunders, may answer the same purpose, although the expense would be too great for ordinary use (£7 10s. the ream of 500 sheets). It is light, and very strong. Many persons must have observed the sheet at the Great Exhibition, sustaining a weight of  $4\frac{1}{2}$  cwt., and attached to which was the following certificate: — "We hereby certify that a sheet of paper, of the same substance as the one exhibited, weighing less than  $1\frac{1}{4}$  oz., sustained, without fracture, 5 cwt. and 24 lbs., being the utmost weight we could attach to the apparatus! (Signed) Wm. Williams & Sons, Scale-Makers, Cannon Street, City. 19th April, 1851."

This is a very remarkable paper; and when wet it will stretch considerably before breaking. The process might, with advantage, be applied to bank-notes, and similar documents, which have to endure great wear.

The envelope machines of De la Rue & Co., and of Waterlow & Sons, have deservedly received much approbation, and to these and other improvements is to be attributed the striking reduction in the price of envelopes within the last few years. The machines have been so well described already, that a repetition is unnecessary; by a very slight difference, however, in the dies of the two machines, one important variation in the form of the envelopes is produced. In those by De la Rue & Co., the ends are first folded down, then the bottom and top flaps. In Waterlow's envelope, the bottom flap is first folded, then those at the ends, and then all are covered by the top flap. This is, obviously, the most useful envelope for business purposes, and especially for inclosures, as the *seal catches all four flaps*; whereas, in all envelopes (and they are the greater number) made like De la Rue's, the seal very frequently only connects the top and bottom folds, in which case, the gum being first softened by steam or moisture, the ends may be drawn out, the remittance abstracted, and the envelope restored to its original appearance. This has been done in the specimen, although the cement seems very good.

The *Polychrest envelope*, invented by Mr. Ralph, is well adapted for security. The bottom flap is cut long, and when folded it reaches beyond the opposite side of the envelope; it is then turned back, and thus embraces the two ends, and lastly, the top fold covers all closely. This envelope, however, might be improved by cutting away the end flaps a little at the bottom, so as to allow the seal to hold all four. The price for large letter size is 15s. per thousand.

For the transmission of "*crossed checks*," the adhesive envelopes save much trouble in sealing, and there seems no reason why *post paper* might not be prepared in the same manner, for ordinary letters.

Great facilities have recently been gained by the use of envelopes *with printed directions*, for transmitting to other bankers checks drawn upon their firms, in the benefit of which the post-office has participated, by the facility with which such directions are read. It would be well if, in return, an opportunity were afforded of obtaining POSTAGE ENVELOPES at a fairly remunerating price.

PENS. — The *quill* has become practically superseded by the steel pen, and unless some means can be devised of rendering ink and steel pens less antagonistic, the latter in turn must be displaced by something better adapted to the purpose. For many years the price of a gold pen was £ 1 1s. ; recently, indeed, by the competition amongst retail dealers, a Mordan's pen may be got for 19s. ; but this has been found too much, and a cheaper, although effectually anti-corrosive pen has been extensively introduced, and now gold pens, although not so good as the £ 1 1s. pen, may be got for one fourth of the money. Some of these are made by the first makers, and it is very desirable that, in a thing of this kind, so much depending upon the care bestowed upon its manufacture, the maker's name should be permitted to appear. If the price is not first-class, no one would expect a guarantee of A 1 excellence. These pens, although little influenced by ink or friction, are not indestructible by the pressure of legers, or the opening of desks, or falling pointedly upon the floor. Some means are requisite for their protection. These may consist either of some kind of *rest*, in which to place the pen for a moment when laid aside, or of a holder, such as that exhibited by Mr. Mallett, which draws in like a pencil-case, and which might be further improved by being slightly weighted at the end farthest from the pen, that in falling the nibs might not be first to come in contact with the ground. The *rest*, however, would be far preferable, as in some departments of book-keeping the pen is perpetually laid down and taken up, and the only safe position for it is between the lips, where the bitter varnish immediately reminds one of its impropriety. Indeed, the unpolished cedar is better for pen-holders ; its absorbent quality rendering it more pleasant to handle in warm weather.

Mr. Mallett's gold pens are made to screw into the holder, and are provided with a little fork underneath to prevent the nibs from crossing. Prices 6s. 6d. for the "platina pens," and 13s. for those with "ruby points." The little fork would somewhat interfere with the cleaning of the pen, for which gold offers such delightful facilities, and which should be further assisted *by both sides of the gold pen being polished*.

Mr. Myers exhibits some excellent gold pens, in *quill* holders, which, on account of their lightness, are very pleasant to use, and, excepting the *halfpenny cedar holder*, perhaps the best. His steel pens are also very good. The splendid display of steel pens by Mr. Gillott was sufficiently striking. It seems a pity that such elaborate and excellent workmanship should be dipped into ink, only to be presently destroyed ; for, notwithstanding such vaunted excellence of many pens, including those of *Albata* metal, they *do corrode*, and that in *any* ink, requiring to be continually scraped upon the "*coupon*" of a check-book, or something else, to keep them in usable condition. The *nibs* being so soon spoiled,

the use of *barrel pens*, which are much more expensive, seems undesirable. The idea of a bank providing all its clerks, once in two or three years, with a gold pen each, sounds rather extravagant, but it might not cost more in the end; and Mordan's pencils, at 6s. a dozen, with black-lead and soft cedar, are really cheaper, if used with care, than others at 2s.

**INK.** — In consequence of the general use now of steel pens, ink requires to be made much thinner than formerly, and this very much lessens its durability.

This will be very obvious on looking through the court rolls of any manor, or other ancient manuscripts, extending consecutively over a long series of years; and the evil is still increased in the case of *letters*, which, by the copying-machine process, are robbed of half the ink put upon them.

This failure and deterioration of ink is a very serious evil, and, it is feared, must arise either from the absence of some important ingredient, dispensed with, perhaps, from a penny-wise economy, to which the manufacturer is goaded by the competition of his brethren, or else from the contact of *steel pens* in writing.

The truth appears to be, that whereas ink used to be composed of *gall nuts*, the object is now, amongst ink manufacturers, by chemical appliances, to produce a black fluid at the *least possible expense*.

If, upon consideration, it seem desirable that more attention should be paid to the inks which are used in banks, might it not be a good arrangement to purchase the best ink of the first maker (its carriage being very trifling), giving him notice that a memorandum of its purchase would be made in the stationery account, together with a note that all the books in the office would be written with it, thus furnishing a lasting record of its durability.

We have in our possession an ancient deed, 506 years old, and yet the ink shows but slightly any deterioration in its colors; whereas some of the modern ink, sold by respectable manufacturers, and used but six years since, looks far less black and bright. From the great importance of the durability of ink, it is desirable that much attention and long experience should be brought to bear upon its manufacture; and to remunerate this care, the best ink should not be considered dear at the price of the best of wine.

Although desirable to have all inks as fluid as may be, yet, for copying, some degree of "body" is required; and this, for the sake of durability, should not consist mainly of glutinous material.

*Mr. Todd* has made it his business to manufacture ink scientifically; and the "*Perth writing-inks*" are justly celebrated. Some writing in this ink, dated 1830, is shown. This, although in very fair condition, is not at all equal to those of olden time.

The copies produced from the *Perth copying-ink* point it out as desirable for this purpose, being very black and legible. The distinctive feature of the ink manufactured by *Mr. Lovejoy* is its capability of resisting the influence of the ordinary *chemical reagents*, by which other inks are obliterated. In the samples exhibited, the acids seem to have given

*additional strength* and permanence to the writing, although in some cases the texture of the paper itself was destroyed. There were specimens tried by nitric, muriatic, and sulphuric acid, fourteen times diluted; by iodide of potass, one part to six of water; by citric acid, or salt of lemons, one part to four; and by liquor potassæ and oxalic acid, one part to three of water. This ink would be very valuable for writing checks, bills of exchange, and letters of credit, to alter the *amount* of which there may be a temptation; and a double security would be obtained, by using the indestructible ink upon the sensitive tinted paper.

INK-BOTTLES. — The ink-bottles, with a lip for conveniently pouring, made by Mr. Isaac, are a considerable improvement upon the old stone bottles, from which it is almost impossible to take ink cleanly.

ACCOUNT-BOOKS. — BINDING. — The same remark which was made in reference to writing-paper applies also to account-books, — that *consistent economy* should be studied, as well as *superior quality*; and it is quite as true that some books are made at a needless expense, as that others are not nearly so substantial and strong as they should be. Some of the subsidiary banking books are practically done with when once filled, and that will be sometimes in six months or less. Others, such as current account ledgers, are *never* done with; and although, when filled, sometimes in one year, sometimes in five or six, they may not have to sustain much heavy wear and tear, they are frequently referred to. A third class, such as character and personal record books, may be in use for twenty years, or even longer periods; the renewal of these is attended with great and protracted labor. It is manifest, therefore, that the style of binding for these several kinds may widely differ. The first class should be bound as cheaply as may be, consistently with comfort, during the short period they are in use. The second class should be very strongly bound, considering not merely the time they are in *daily* use, but the indefinite period during which they may be required for reference; and for the third class no binding can be too good, as far as materials and strength may be concerned, — the giving way of the binding sometimes rendering weeks of labor necessary in transcribing, or the perpetual annoyance of a disjointed book. These remarks were suggested by the samples of account-books exhibited by Messrs. Sibel & Mott; one set being made to order, for the City Bank, New York. The binding of these is super-excellent, and the ruling most elaborate and beautifully executed. The marginal lines, consisting of four colors, mitred at the corner, and the books are gilt-edged; the folio being put in the *middle* of the page, instead of the corner.

The trade account books were bound in very handsome style indeed, and for such binding, paper, ruling, &c., the price may be considered very low. One set foolscap, 3s. per quire; one set demy, paged, 8s. per quire; and one set medium, paged, 9s. per quire.

The account-books exhibited by Mr. Möller are deserving of especial notice, both on account of their character and price. Three books were exhibited, two of which were of practical utility, although rather “ultra” in their style of ornament. They opened remarkably well,



and the indices, being only half width, were fixed with brass hinges to the middle of the cover, so as to be more readily referred to. One of them, with extra ruling and printed head, nine quires demy, very good paper, and strongly bound in "Jucht" skin imported from Russia, price £ 2 (see Hamburg Priced Catalogue, page 3). The other, very handsomely bound in "Jucht" skin, with Russia bands, and of thicker paper, ruled, and with printed head and gilt edges! price £ 2 10s. These are quite equal to our very good English binding, and are exceedingly cheap. Mr. Möller further offers, if an order be given him to a large extent, say £ 200, to make similar books at a discount for cash of 20 to 25 per cent. from these prices. Until the duty is repealed, however, 10 per cent. must be added to the price.

It seems that, if some plan could be invented for securing the backs of books, without the stiff half-cylinders of iron and leather at present used, a great convenience in writing would be obtained, from the facility in opening, and the much flatter surface they would present to write upon. Knight & Co. exhibited some account-books which lie very flat when open; this is caused, apparently, by some degree of pliancy being imparted to the back.

There seems a sort of usage in favor of *vellum* for customers' pass-books, otherwise the pliant backs of the books issued by the Savings Banks might be advantageously copied, if they could be written on at all.

An improvement is shown by Mr. Wadderspoon, which, although not new, is little practised, except by some of the first makers, viz. the insertion of linen bands along the sections of books, by which they are prevented from breaking away and the leaves from coming out; this material is useful, also, for protecting indices from wear.

The plan adopted in many banks, of transferring their current accounts into new ledgers every year, has many advantages, especially in the facility which a "dictionary" arrangement affords for posting; but one serious evil is the loss of *continuity in an account*, it being necessary, in case of reference, to move about a number of large and cumbersome volumes.

The thought occurred whether the vulcanized India-rubber, recently introduced and exhibited by Mr. McIntosh, might not be rendered available in the binding of a book, by inserting *removable smooth India-rubber bands, in corresponding holes punched through the paper, close to the back*, in such a manner that, at stated intervals, the full sheets might be abstracted and replaced by new. This, or some other plan, might, perhaps, be successfully adopted, and, if so, it seems to be all that is required to obtain continuity of account for any length of time.

The binding should be so arranged as to form a convenient book, with stout boarded sides, as usual.

The book, thus composed of separate sheets, may be divided and headed as usual, leaving spaces between the accounts, according to their usual requirements, and between the letters in proportion to the existing accounts. The only difference would be that the sheets should not be folioed, and therefore no index would be used. The leaves of the individual accounts, however, might be numbered as they advanced.



When new accounts were opened, they would be put at the end of the division, as at present, these misplacements only being (in the absence of an index) noted at the beginning of the ledger. Any accounts which required moving during the year would be treated in the same manner, and noted accordingly.

The absence of an index, in a ledger rearranged in strict "dictionary" order once a year, would be attended with little inconvenience, it being found in practice that such indices are rarely referred to. At the end of the year, the full sheets may be abstracted and replaced by blank sheets, ready ruled, the order being made correct and the back adjusted.

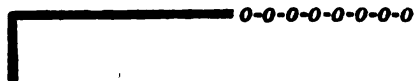
Thus a book is ready for the coming year. The trouble of unnecessary "heading" and indexing will be saved, and all the paper, also, which is unfilled, will be applicable again for use.

We are now just where we should have been with the old plan, as to continuity and facility of reference; at the end, however, of the second year the advantage would be felt, in incorporating the full leaves of the second year with those of the first, thus having the two years' accounts accessible in one book.

By this means, an account might be referred to for a long period, without the laborious necessity of handling a number of heavy books, at the same time causing unnecessary wear and tear of valuable records.

Various suggestions may occur to the mind, as to the most convenient and referable disposition of the removed sheets. After being arranged in exact "dictionary" order, they might be placed on their backs in a long frame or case, fitting them exactly.

The interior of the case (the grain of the wood running with its length) should be very smooth, especially the bottom. The ends might be made to slide, so as to admit of the quantity of paper being, from time to time, increased. The names of the accounts might appear at the top, on vellum slips, inserted in their proper places. For reference a division might immediately be made, in any part, by means of an iron square, thus, —



attached by a chain to a *screw*, at the end of the case. The reference being completed and the sheets replaced, by inserting a bar of wood between the screw point and the sliding end, the whole may be again compressed, thereby restoring the screw to its original position.

The length of the box would vary according to the expected requirement, and the fire-proof accommodation available, and when one case was full, another would be made, and the alphabet divided.

If this plan were adopted, a saving would be effected in binding, which is, in heavy books, a considerable item; but the chief advantage would be *facility of reference*, and the value is well known of that information of a man's character and circumstances, which is, sometimes, alone to be obtained from a careful observation of the working of his account, for a consecutive and considerable period. The labor of putting the sheets away would be merely mechanical, although requiring care, and might be performed by secondary intelligence.

An objection, as to genuineness, on the production of a book in cases of legal evidence, might perhaps give way before general usage, should the practice be adopted; and it might be modified by care, as to uniformity of writing and of ink, in carrying forward from page to page.

**ACCOUNT-BOOK RULING.**—The printing of headings and ruling of books, although attended with considerable expense, possesses such advantages, in insuring accuracy and neatness, that it is well repaid. Our Continental and Transatlantic brethren, from the system by which they keep their accounts requiring more money columns than we do, have taken greater pains with the ruling of their books. Considering the great importance of this department of bank book manufacture, it may be well to refer to two or three of the most striking specimens.

Messrs. Gaymard & Gerault exhibited some ponderous books, most beautifully ruled.

Messrs. Carl Kuhn & Sons also exhibited eight books, which for their beautiful ruling and printing are very deserving of notice. In binding, they are, however, very inferior to those from Hamburg, wanting finish, and their price, ranging from £ 1 1s. 6d. to £ 3 10s. 6d., is high, owing to their elaborate ruling and dotted lines.

The specimen book of paper ruling by Messrs J. & W. McAdams is also very excellent, and is distinguished by the clearness of the execution.

In concluding this part of the subject, attention should be called to the new ruling-machine of M. Bauchet Verlinde, of Lisle. This machine is provided with an arrangement by which several sets of lines may be printed at the same time, of different colors, without the danger of their running into each other. It is a modification of what in this country would be called a "drawing ruling-machine," as opposed to the "cylinder machine" in common use. By this plan, the usual hinderance, while one color is drying, is saved, and all the lines running in one direction are at once completed.

Some sheets from an account-book were exhibited, measuring 3 ft. 6 in. x 2 ft. 3 in., and containing 328 perpendicular lines of various lengths, in six different shades and colors, and all done at one drawing.

This is not the only superiority in this ruling. The lines are beautifully fine and perfectly unbroken, free from all irregularities. The difference in this respect is most marked, and is one at which this man has aimed for years to attain, by a superior construction of his "pens." They are of a different form to those in use here; instead of the long point in our ruling-pens, admitting of continual rubbing and filing, these pens seem as if not intended to be "mended" at all, but are made more in the shape of our steel pens, and with finer ink-channels than the ordinary ruling-pens; the consequence is, that the lines are such as are not seen in this country, and two or three paper-rulers have expressed great surprise at the execution. Although such fine lines are not absolutely required for our wider money columns, yet as fine lines look better than coarse they are to be desired; and as writing looks better without any horizontal lines at all, the nearer the approach to a *mathematical* line the better, and these lines of M. Bauchet Verlinde's are almost entitled to that appellation.

(Continued in the May No.)

## MISCELLANEOUS.

**AMERICAN COINS IN ENGLAND.** — The following is an extract from a late London letter: —

"The accumulation of gold at the Bank of England has induced the Directors to reduce the price for American eagles, French Napoleons, and Dutch ducats, to 76s. 14d. per oz., as I advised you on the 6th of February. If the standard of American gold was the same as ours, viz. 22 carats fine gold and 2 alloy, the Bank would be obliged by act of Parliament to give 77s. 9d. per oz. for it. But there being more alloy in the eagles than in the sovereigns, a certain expense must be incurred before the former can be coined into the latter, and hence the reduction of the price. The Bank was losing money at 76s. 2½d., at least so it is alleged, and, the bullion office being full to overflowing, they were not unwilling to discourage further accumulation. Should California and Australia combine to swamp us with gold, we shall ere long be puzzled what to do with it. Our own currency is full, about forty millions of sovereigns, and will not admit of any increase, and India, though latterly insatiable in its thirst for silver, will not take gold. France last year coined about eleven millions sterling, but the exchange has at last turned in our favor, and gold has ceased to go there. Till now, no change has occurred in the relative value of gold and silver, as the advance of the latter, about two per cent., has been caused entirely by the demand for India, in consequence of an adverse exchange. But should the golden flood continue undiminished, sooner or later it must affect the value of all commodities, as the influx of the precious metals from America did three centuries ago."

The following correspondence between Messrs. Peabody and the Bank of England, being on a subject of considerable interest to the shippers of gold from this country to Great Britain, we copy it entire, from the London papers: —

6 Warrford Court, February 19, 1852.

SIR, — We have received and sent into your institution, subject to our further orders, a parcel of gold bullion, melted from \$250,000. American eagles, and by next steamer expect another large shipment. By your circular of the 4th instant it appears that you decline to receive it unless we bear the expense of its refining for coinage, or it be made intrinsically fit for coinage without refining.

We respectfully submit that the position which you thus take is not tenable. The 4th clause of the 7th and 8th Victoria, c. 32, runs thus: —

"And be it enacted, That from and after the thirty-first day of August, one thousand eight hundred and forty-four, all persons shall be entitled to demand, from the issue department of the Bank of England, Bank of England notes in exchange for gold bullion, at the rate of three pounds seventeen shillings and ninepence per ounce of standard gold: provided always, that the said Governor and Company shall in all cases be entitled to require such gold bullion to be melted and assayed by persons approved by the said Governor and Company, at the expense of the parties tendering such gold bullion."

The precise degree of fineness called "standard" is a made degree, not a natural one, for in a majority of cases the bullion which arrives in this country is not of a fineness throughout equal to "standard," and at the time of framing the act it was not believed that such could be found in quantity. It could not be intended that you were only to be bound to receive what is intrinsically and throughout standard, for the legislature must then be supposed to mean that the Bank was only to receive what it was then believed could not be found in quantity. But, on the contrary, the act compels the Bank to issue notes against gold called "standard," which has hitherto been rightly arrived at by the buyer being allowed for the "worseness" only. This alone could be contemplated by Parliament, for they knew of no other means of arriving at it. The act says, in express terms, that the Bank shall require the holder to melt and assay, at his own expense, but does not authorize the Bank to require him to refine it for coinage at his own expense. The omission in the act of the obligation to refine it for coinage at the expense of the seller, is conclusive that it was not intended he should bear it.

Whether the expense of refining for coinage should be borne by your institution or the Mint, is a question which we submit cannot be entertained as between the Bank and the seller to them of bullion.

The determination of this point is of great importance to the commercial world, and we take the liberty of bringing it before you. We shall feel obliged by an early decision, and have the honor to be, &c.

GEORGE PEABODY & CO.

TO THE GOVERNOR OF THE BANK OF ENGLAND, &c.

Bank of England, February 21, 1852.

SIR, — I have to acknowledge the receipt of your letter of the 19th instant, in which you insist that the Bank are bound to purchase of you a parcel of American gold, not of standard fineness, at a price calculated after the rate of £3 17s. 9d. per oz. for gold of standard fineness, and in support of your demand you refer to the act 7th and 8th Victoria, c. 32, sec. 4.

In reply, I beg to state that the Bank are advised that the true construction of that act is, that the Bank should purchase gold bullion of standard fineness at the rate of £3 17s. 9d. per oz. of such gold, and the Bank cannot hold themselves under obligation to purchase gold of any other fineness.

In reference to your further observations, I must add that you are mistaken in the intent you ascribe to the legislature in the act referred to. Prior to the passing of that act, the Bank had established the prac-

tice of buying bullion at the rate of £3 17s. 9d per oz. of standard gold, the difference of 1½s. per oz. between this and the Mint price being the equivalent for the benefit to the purchaser of receiving his money without the loss of interest during the process of coinage at the Mint. This practice and the subsequent law had reference to bullion of the standard used at the Mint.

The Bank have not at any time considered themselves bound to buy any other than standard gold, but so long as the Mint received gold of various assays, the Bank, for public convenience, conformed to their practice. Now that the Mint refuses to receive any gold not of standard fineness, the Bank are compelled to require the sellers of gold to bear the expense of bringing their bullion to that fineness.

I am, Sir, your obedient servant.

GEORGE PRABODY, Esq.

THOMAS HANKEY, Jr., Governor.

LOUISIANA. — A bill has been introduced in the legislature of Louisiana, abolishing the usury laws. The bill reads, "It shall be lawful for any person, company, association, or agency, doing business in this State, to loan money, discount paper, and make advances on merchandise, or securities of any kind whatever, at such rate of interest, discount, or commission, as may be mutually agreed upon by the parties contracting, and that the same may be collected in any court of competent jurisdiction in the same manner as the principal: provided, that this act shall not apply to or affect any banks that have been chartered by this State."

THE DANGER OF SMALL NOTES. — One of the strangest objections to the circulation of paper money is contained in a work published in Baltimore, and written by Dr. Thomas H. Buckler. We quote the passage as we find it in his work: —

"For the last ten or twelve years, variola and varioloid have been usually prevalent here and in all the other cities, as well as in very many rural districts, attributable more to the circulation of bank-notes of a low denomination than to atmospheric causes. Since the money pressure of 1837, the banks in many of the States have issued several millions of one, two, and three dollar notes, the effect of which has been to drive silver out of circulation. The inmate of a small-pox hospital generally keeps what little money he may chance to have about his person. If he wants a lemon, he sends a note saturated with the poison, and having, perhaps, the very sea-sick odor of small pox, to a confectioner, who takes it, of course. On leaving the hospital, the convalescent from the loathsome disease pays some twelve or fifteen dollars board. Provisions are wanted for the other patients, and the notes are sent to market, where they are taken both by town and country people, and may pass through twenty different hands in a single day. It would be impossible to conceive any better mode of distributing the poison of a disease known to be so very contagious and infectious. It could hardly be worse if so many rags were distributed from the clothing of small-pox patients."

REPEAL OF THE STAMP TAX IN MARYLAND. — The time has arrived when this tax may be taken off, with perfect safety to the credit of the State, to reestablish which, in a time of great exigency, it was imposed as an extraordinary expedient. Governor Lowe, in his message to the legislature, showed that the finances of the State had now reached that point when this tax may no longer be imposed for the reasons which influenced the legislature in 1845 to adopt it. He therefore wisely and justly recommended that it be taken off.

At the time the stamp tax was imposed, it was objected to, and with good reason, on the ground that it would operate unequally, and would be, in effect, a tax upon the trade of the city of Baltimore, and operate as a discrimination against it in favor of the trade of other cities. The force of the objection was only answered by a reference to the exigency in which the State was then (in 1845) placed. The credit of the State was gone, the treasury was insolvent, and the interest on the public debt not paid. Every true Marylander felt that this was a reflection upon himself personally, and he was prepared for any sacrifice that would restore the faith of the State, which had been violated by the failure to meet its obligations.

As an expedient, which would operate at once, the law requiring notes and other personal money obligations to be stamped and taxed was passed. It was understood on all sides that this was a tax upon the city of Baltimore almost exclusively, but her citizens hesitated not to cheerfully acquiesce in the law imposing it, — not because they thereby admitted that the tax was just, but simply because it was decided to be the best, if not the only practicable means, by which the credit of the State could be re-established and her faith redeemed.

The act was then passed and the tax cheerfully paid. No one, however, then supposed that the tax would be continued in force one day longer than the credit of the State required. No one supposed then that it was to be a permanent tax; no one ad-

vocated it on that ground. The exigency which demanded its imposition has passed, — the consummation it was intended to reach has been accomplished, — the faith of the State has been redeemed, and its credit reestablished. The law now stands a blot upon the statute-book of Maryland, and the legislature of the State should blot it out.

**THE COINS OF THE UNITED STATES.** — The bill reported to the Senate of the United States, a few days since, from the Committee on Finance, amendatory of the existing laws relative to the silver coin of the country, provides that from and after the 1st of June, 1852, the weight of the half-dollars is to be 192 grains; and the quarter-dollars, dimes, and half-dimes shall be respectively one half, one fifth, and one tenth of the weight of a half-dollar; which coin is made a legal tender in payment of all sums not exceeding \$5. The Treasurer of the Mint, with the approval of the Director, to purchase such bullion as is required for the coinage with the bullion of the Mint. Such coins to be paid out at the Mint in exchange for gold coins at par, in sums of not less than \$100. The amount coined into quarter-dollars, dimes, and half-dimes to be regulated by the Secretary of the Treasury. No deposits for coinage into small pieces hereafter to be received, other than that received by the Treasurer of the Mint. Depositors have the option of having their gold or silver cast into bars or ingots of pure metal, or of standard fineness, with a stamp designating the same. No piece to be cast into bars of less weight than ten ounces, except pieces of one, two, three, and five ounces, all of which shall be of the standard fineness, with the weight and fineness stamped upon them. In cases where gold and silver deposited be coined or cast into bars or ingots, to be a charge to the depositor, in addition to the charge now made for refining, of one half of one per cent., to be charged to the Treasurer. From time to time there is to be struck and coined at the Mint and its branches a coin of the value of \$3, the shape and device to be fixed by the Secretary of the Treasury.

**THE PLEA OF USURY.** — The *Albany Argus* gives the following account of an important bill pending in the Assembly, having for its object some restraints upon the plea of usury. It comes before the House, says the *Argus*, with the sanction of the judiciary committee; and there are grounds for the belief that it will not share the fate of the attempts heretofore made to bring our laws on this subject into conformity with those of most other States of this Union. It is a remarkable fact, that this State, conceded to be the commercial State of the confederacy, should be one where the taking of more than the legal rate of interest, even under special agreement between the parties, is punishable as a crime! and yet where even the existing laws on the subject have become so entirely a dead letter.

The bill now before the legislature allows parties to make their own bargains where the contract has not more than twelve months to run. In the absence of any special agreement, the rate is to be seven per cent.; bonds and mortgages and judgments are also to bear that rate, and no more; and banks are restricted to the same rate.

These are the leading provisions of the bill. It certainly is not easy, adds the *Argus*, to discover what objections there can be to removing restrictions which are disregarded utterly in commercial transactions, and the benefits of which no man can take advantage of, without incurring dishonor and disgrace in all commercial circles. The modification contemplated by the bill is now the law of England, and the law of several of the States, and has not been found to work as the fears of some and the prejudices of others lead them to predict. The subject at all events is one that calls for a deliberate and candid examination, and its great public importance we trust will secure for it early and favorable attention.

**GENERAL BANKING LAW IN INDIANA.** — A bill has passed one branch of the legislature of Indiana, and will probably become a law, establishing a free banking system having a circulation based exclusively upon government and State stocks, discriminating somewhat in favor of the Indiana State stocks; which are to be taken on deposit at the rate of par for a five per cent. stock; while all others are to be taken at par for a six per cent. stock, but neither at above their market value. Mortgages and all real estate are wisely excluded. In most other respects, the act is similar to the New York free banking law, as now in force. The committee who reported this bill say that they had the New York law mainly in view when preparing its provisions.

## BANK ITEMS.

**MAINE.** — The Rockland Bank, at Rockland, Maine, commenced operations October 1, 1851, with a capital of \$50,000. President, A. H. Kimball, Esq.; Cashier, William H. Titcomb, Esq.

**NEW YORK.** — John Thompson, Esq. (hitherto Cashier) has been elected President of the Irving Bank, New York, in place of E. H. Laing, deceased, and Daniel V. H. Bertholf, Esq. has received the appointment of Cashier of the same institution.

**Syracuse.** — Cornelius L. Alvord, Esq. has been elected Cashier of the Bank of Salina, in place of Miles W. Bennett, Esq., resigned.

**Fishkill.** — The capital of the Bank of Fishkill, at Fishkill Village, hitherto \$120,000, has been increased to \$150,000. This bank was organized June 1, 1850, and having been successfully managed, an increase of capital has been deemed desirable to meet the wants of the community.

**West Troy.** — A new banking association, under the general law, has been organized at West Troy, with a capital of \$200,000, and named the Bank of West Troy. It will go into operation on the 1st of May next, under the management of Ferdinand F. Suydam as President, and Albert C. Gunnison as Cashier.

**NEW JERSEY.** — In November, 1850, the agency at Philadelphia of the State Bank at Camden, N. J., was robbed of a considerable amount of the bank's notes, among which were two notes of \$500 each. As the bank had few notes of this denomination out, they were all called in, legitimately traced and paid, and no notes of a higher denomination than \$100 have since been issued by the bank. The public was widely cautioned against receiving either of the two stolen notes, and the banks and brokers were put in possession of the means of detecting them. Until Friday last, February 27, nothing was heard of either of the missing bills, when on that day one of them was remitted from a broker at New York to a broker in this city for collection. Immediately on presentation to the agency it was detected as one of the notes which had been stolen. Its payment was of course refused, and we presume will be resisted with the view of tracing it, and if possible of detecting and bringing to punishment the robber. There is still another of these bills out, and the public are again cautioned against receiving it. As the two stolen notes are the only ones of the denomination of \$500 out, they may be easily guarded against. — *Philadelphia Ledger*.

**New Jersey Free Banks.** — Fifteen banks have been established under the general banking law of New Jersey. The following will show their names, location, capital, circulation, and specie.

Location.	Name.	Capital.	Circulation.	Specie.
Bergen Iron Works,	Ocean Bank, . . . . .	\$114,200	\$187,000	\$4,500
Bridgton,	Merchants' Bank, . . . . .	50,000	6,000	2,500
Belvidere,	Public Stock Bank, . . . . .	50,000	17,000	1,200
Bordentown,	Bordentown Banking Co., . . . . .	50,000	39,000	6,200
Cape May C. H.,	Bank of America, . . . . .	50,000	48,000	1,500
"	Atlantic Bank, . . . . .	80,000	78,000	2,700
"	American Exchange Bank, . . . . .	50,000	3,900	3,900
Cape Island,	City Bank, . . . . .	50,000	19,000	2,400
Flemington,	Tradesman's Bank, . . . . .	50,000	14,000	2,000
Freehold,	Farmers' Bank, . . . . .	50,000	66,000	6,200
Jersey City,	Hudson Co. Bank, . . . . .	125,000	31,000	8,700
May's Landing,	Atlantic Bank, . . . . .	100,000	100,000	13,500
"	Merchants' Bank, . . . . .	50,000	48,000	2,000
Newark,	Newark City Bank, . . . . .	50,000	27,000	7,100
Tom's River,	Delaware and Hudson Bank, . . . . .	200,000	229,000	12,300
Total, 15 banks, . . . . .		\$1,119,200	\$910,900	\$76,700

**PENNSYLVANIA.** — Two new private banking-houses have commenced business at Pittsburg, viz. Messrs. O'Connor, Brothers, & Co., and Messrs. Tiernan & Co. In addition to these, a bill is now pending before the legislature of Pennsylvania for the incorporation of the "Commercial Bank of Pittsburg."

**Columbia.** — John Cooper, Esq. was, on the 2d of March, elected President of the Columbia Bank and Bridge Co., in place of David Rinehart, Esq., deceased.

**Bank Returns.** — Partial statements have been made of the condition of the Pennsylvania banks for 1851, from which we take the following items: —

	Capital.	Loans.	Circulation.	Deposits.	Specie.
1850, . . .	\$ 18,675,000	\$ 36,408,000	\$ 11,988,000	\$ 17,719,000	\$ 7,212,000
1851, . . .	18,895,000	35,706,000	11,933,000	15,871,000	6,685,000

**VIRGINIA.** — John Adams Smith, Esq., for some years Assistant Cashier of the Farmers' Bank of Virginia, at Richmond, was, on the 11th of March, elected Cashier of that institution, in place of John H. Cook, Esq., deceased.

**TENNESSEE.** — The legislature of Tennessee have passed a law for the establishment of the Citizens' Bank of Nashville and Memphis.

**LOUISIANA.** — The legislature of Louisiana have passed an act to relieve the Citizens' Bank from the decree of forfeiture on account of its suspension, and to restore its banking privileges, upon condition that the bank return State bonds held by it to the amount of \$ 800,000, and also that the bank raise additional capital (or assets) to the same amount.

This act was vetoed by the Governor, but, on a reconsideration of the matter, the act was again passed by both houses, and by the vote required by law in such cases.

By the present constitution of the State, no new banks can be incorporated at any time hereafter.

**ALABAMA.** — Jonathan Emanuel, Esq. was, on the 10th of March, elected Cashier of the Bank of Mobile, in place of Thomas M. English, Esq., deceased.

## NEW BOOKS.

*Appleton's Mechanic's Magazine and Engineer's Journal.* Edited by Julius W. Adams, C. E. This valuable series is now published in the quarto form, with numerous engravings to illustrate the subjects treated of. To the mechanic and practical engineer this is the most acceptable periodical to which they have access. The Nos. for January, February, and March contain highly valuable information in reference to Steamships, Steam-Engines, Flax Machinery, Steam-Boilers, &c.; with an ample record of American, English, Scotch, and Irish Patents; proceedings of Scientific Societies; Reviews, Correspondence, and notices of current topics of moment to practical men. Published monthly by D. Appleton and Company, New York, at Three Dollars per annum.

*De Bow's Review of the South and West.* New Orleans: J. D. B. DeBow. Monthly. 100 pp. 8vo. This work is the able exponent of the interests and wants of the South and West, — their history, staple productions, manufactures, &c. The February No. contains: — I. The Macon Cotton-Planters' Convention. II. Direct Foreign Trade of the South: by Lieut. M. F. Maury. III. Early British and American History of Alabama, — its Territorial and State Government, &c. IV. The Productive Industry of the South. V. Excessive Slave Population. VI. Departments of Agriculture, Commerce, Internal Improvements. Five Dollars per annum.

*Contributions to the History of Insurance; with a Restoration of the Grand-Pensionary De Wit's Treatise on Life Annuities.* By F. Hendricks. London. 1851. The work of De Wit was one of the earliest upon the subject of life annuities. It was produced twenty-eight years before the Astronomer Royal, Halley, presented to public notice his system upon the same subject. De Wit's treatise, by a singular combination of circumstances, has been hitherto lost to the world. It is believed that the work was actually printed for distribution to the members of the States General soon after its presentation to that body, on the 30th of July, 1671; but the work was so effectually suppressed, that when Leibnitz visited Holland, five years afterwards, only a hearsay account of the volume could be obtained. Mr. Hendricks now, after diligent inquiry among the archives at Amsterdam and the Hague, discovers that the "Treatise on Annuities" was inserted in the "Resolutions of the States of Holland and West Friesland," and after much labor has furnished an English translation.

## Notes on the Money Market.

BOSTON, MARCH 26, 1852.

*Exchange on London, 60 days, 9½ to 10 per cent. premium.*

The rates of discount in the street have diminished since the 1st of March, and we are glad to record that they are now but slightly above the legal standard. The banks of New York and Boston are enabled to take nearly all the good business paper that offers, so that the negotiations among private capitalists are made at better rates for the borrower.

In New York, for loans on demand adequately secured, 5 to 6 per cent. are the ruling rates. Capital is largely more abundant there than in other cities, both for temporary loans and for permanent investments. It is fully conceded that New York is now the grand centre of commercial and monetary movements in this country; and it is there that both borrowers and lenders congregate for the heavy operations of the day. Both Boston and Philadelphia assume the condition of the New York market as a criterion for themselves, and as the rates rise or fall in Wall Street, so they rise or fall in the other cities.

The receipts of gold from California are not quite so large as during the six months ending February 1. The mining operations are somewhat impeded during the winter months; but it is generally believed that the aggregate receipts for the current year will be larger than during the year 1851. The increased number of hands engaged in gold mining will of course produce this result; there being no diminution of the surface of gold deposits in the new State of California.

The Finance Committee of the United States Senate have made an exceedingly interesting and valuable report upon the coinage. This document presents an elaborate history of the discoveries and production of gold and silver during the last few centuries; with careful estimates of the consumption in the arts and manufactures and in coinage. They propose to reduce the quantity of silver in the half-dollar and smaller coins by about 6.91 per cent., — and to adopt the recommendation of the Secretary of the Treasury, to make the ratio of gold to silver as 14,894 to 1,000. This report is accompanied with a bill which provides, that from and after the 1st of June, 1852, the weight of the half-dollar is to be 192 grains; and the quarter-dollars, dimes, and half-dimes shall be respectively one half, one fifth, and one tenth of the weight of a half-dollar; which coin is made a legal tender in payment of all sums not exceeding \$5. The Treasurer of the Mint, with the approval of the Director, to purchase such bullion as is required for the coinage with the bullion of the Mint. Such coins to be paid out at the Mint in exchange for gold coins at par in sums of not less than \$100. The amount coined into quarter-dollars, dimes, and half-dimes, to be regulated by the Secretary of the Treasury. No deposits for coinage into small pieces hereafter to be received, other than that received by the Treasurer of the Mint. Depositors have the option of having their gold or silver cast into bars or ingots of pure metal or of standard fineness, with a stamp designating the same. No piece to be cast into bars of less weight than ten ounces, except pieces of one, two, three, and five ounces, all of which shall be of the standard fineness, with the weight and fineness stamped upon them.

The new silver coin is to be a legal tender only to the amount of five dollars, but it is to be receivable in payment of public dues, and to avoid the inconvenience that such a demand for the new coinage might give, to the injury of the general currency of the country, the bill provides that the new coin shall not be struck upon the demand of depositors, but under direction of the Secretary of the Treasury, who can thus always limit the amount.

The bill also provides for the coinage of three-dollar gold pieces, the shape and device of which are to be fixed by the Secretary of the Treasury.

The committee have also adopted the recommendation of the Secretary of the Treasury in relation to a seignorage, and recommend the charge of one half of one per cent. for both gold and silver coins.

The adoption of this measure will no doubt suspend the export of silver from this country to Europe, and bring about a larger circulation of silver coins among us. A further benefit would arise, if the branch mints at New Orleans, Charlotte, and Dahlonega were closed, and their coining machinery removed to New York. The heavy charges on coinage at those places would thus be nearly obviated, and the large amount of gold-dust which now finds its way to New Orleans would hereafter be shipped to New York.

The cessation of coin shipments to Europe, in large sums, has instilled a better feeling into the money market, and the banks are increasing their discounts accordingly. The bank returns of late periods show that the specie held by the banks generally was less in 1851 than in the years 1849–50. This observation applies to Boston, New York, Philadelphia, Baltimore, and New Orleans, and is probably true in regard to the country at large. In Pennsylvania, according to recent returns, the coin in their banks has fallen off nearly eight per cent., with a reduction also in their loans, circulation, and deposits, as com-



pared with the year 1850. A change having now occurred in our foreign trade, by which we are enabled to keep a large portion of our gold receipts in our own hands, there will soon be a larger basis of operations and increased banking facilities to meet the wants of the community.

The rates for bills on England have declined to the specie par, — say  $9\frac{1}{2}$  to  $9\frac{3}{4}$  premium. 10 per cent. is the current rate for bankers' bills. Bills on Paris, 60 days' sight, 5.20 a 5.18 $\frac{1}{2}$  francs per dollar; Amsterdam, 41 a 41 $\frac{1}{2}$ ; Hamburg, 36 $\frac{1}{2}$  a 36 $\frac{1}{2}$ ; Bremen, 78 $\frac{1}{2}$  a 78 $\frac{1}{2}$ .

The general adoption of the free banking system seems determined upon by the States wherever the subject has been canvassed. Massachusetts, New York, New Jersey, Virginia, Ohio, Vermont, and Tennessee have fully adopted this system as a desirable one, in lieu of previous laws. We furnish in our present No., for the consideration of our readers, the new Tennessee law in full; and a synopsis of the new law of Vermont, accompanied with remarks by a prominent banker of that State. The Massachusetts free bank law was passed in May, 1851, but at the same time extensions were granted to several bank charters in this State. A recent report made to the legislature of Massachusetts by the bank committee, and the action thereon, induce the belief that no further charters will be granted here.

The committee say: —

"This law makes no change in the present basis of the currency. It requires only that a portion of the assets of a bank formed under its provisions shall consist of an amount of public stocks equal to the amount of its circulation, to be held by the Commonwealth in trust for the redemption of its bills, whenever from any cause the bank fails to redeem them in specie on presentation, as all banks are now required to redeem their bills.

"Believing that the currency is sufficiently protected under the general banking law, and that capital may be safely left to take care of itself without special legislative aid; that the vital principle of the law is restrictive only so far as may be necessary to render the currency secure; and free and general, so far as it refers to the employment of capital and banking, the committee recommend that the law passed at the last session of the General Court should be sanctioned by this legislature as the settled policy of the Commonwealth."

We think no change in the banking system of Massachusetts was required either by the people at large or the commercial community. No portion of the country exhibits, at the present moment, a better system than prevails in this Commonwealth. Here we find the depositors in the banks and the bill-holders fully protected against loss in case of a bank's failure; and the workings of the present system under its elaborate and stringent restraints have practically demonstrated that it is admirably adapted to the wants and convenience of the people. Even the general bank law of New York, carefully prepared as it is, does not practically work as well as the present system of Massachusetts, which excludes favoritism, and places all the banks in the State under one general code, operative upon all alike.

Here we see two hundred and forty millions of dollars in bank-notes, issued by banks distributed throughout six different States, annually redeemed *at par* at one central point in Boston. Not one dollar is paid necessarily by the people for the discount of this constantly accumulating and concentrating body of bank paper. In New York, on the contrary, the law authorizes a redemption at one quarter per cent. *below* par, and legalizes suspension on the part of a bank for a fixed number of days; and their circulation, instead of being redeemed at the great commercial centre, may be subject to redemption (at the option of the banker) one hundred and fifty miles from the moneyed metropolis.

The political condition of Europe for two or three years past has lessened in a large degree the confidence that previously existed in the several governments of that Continent, and in their ability to meet their engagements. One result of this is, that European capital finds its way to the United States in large amounts, and is now contributing to the general wealth and prosperity of our country. There is likewise more inquiry in the leading European markets for American State securities, and for the loans of the general government. New York, Massachusetts, and Virginia stocks are in demand abroad. This, added to the home demand for banking purposes, gives an increased market value especially to all those stocks which are receivable under the general bank laws of the States.

In order to compete with New York, it is necessary for Massachusetts to adopt a more liberal policy with regard to the rate of interest. New York allows seven per cent., and this in itself draws capital thither from the adjoining States and cities, although, as a general result, money is cheaper in that metropolis than elsewhere.

## DEATHS.

At Mobile, on Friday, February 27th, Thomas M. English, Esq., Cashier of the Bank of Mobile.

At New York, on Sunday, March 7, Edgar H. Laing, Esq., aged 43 years, President of the Irving Bank in that city.

At Barton, Vermont, on Tuesday, March 9, Harvey Baxter, Esq., aged 53 years, President of the People's Bank at Derby Line, Vermont.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

VOL. I. NEW SERIES.

MAY, 1852.

No. XI.

THE ADAPTATION OF RECENT INVENTIONS TO THE  
PURPOSES OF PRACTICAL BANKING.

A PRIZE ESSAY.

BY GRANVILLE SHARP, OF NORWICH, ENGLAND.

PART III.

*(Continued from page 833, April No.)*

**WEIGHING MACHINES.** — The sovereign being not merely the representative of value, but value itself, it is highly important that its intrinsic character should be preserved, and, as a check to the fraudulent practices of "sweating" and "drilling," it is very proper that gold coin should be at all times liable to the ordeal of weighing. The excitement resulting from the proclamation of June, 1842, has long since subsided. For the most part the public look upon a sovereign as worth 20s., whether it be a "horseman" or a "Victoria," and few persons think of weighing gold, except when it is to be sent to the Bank of England, when the new gold is all gathered together, and, if enough cannot be found, a few of the best of the old ones are weighed and put with them, the old being considered good enough for practical purposes. It is evident that this cannot go on long, and, as some of the gold of the present reign is getting depreciated below the standard, the weighing must shortly be again resorted to. In these days of competition it is found that the seller, rather than displease his customer, is willing, generally, to risk the loss on gold, so that the trouble of weighing and cutting falls entirely upon

VOL. I.

71

the banks. It is desirable, therefore, that this labor should be performed as readily as may be, and that, when it is commanded by authority to cut all light gold, all gold discovered to be light should be cut. The practice of bankers weighing sovereigns, and when found to be light giving them back to their customers, is evidently injurious, as it involves the labor of weighing the same money over and over again, until some poor unfortunate brings these sovereigns to take up an acceptance; or on some other urgent necessity, and, not having any sovereigns to change for the light ones, is compelled to submit to the deduction. Would it not be for our mutual advantage if all the banks were to unite together to cut all light gold on presentation, in which a royal proclamation certainly warrants them, although it may not warrant their neglect to do so. It is very desirable, before any general weighing becomes necessary, that some improvements should be made upon the scales now in common use, the very best of which are liable to great objections, arising from currents of air acting unequally upon the scales, constant irregularity caused by placing and displacing the sovereigns to be weighed, by which the equipoise is every moment destroyed, adhesion of the scale-pans to the counter, difference in the judgment of the weighers, failing of the eyesight, difference in the weights of no small amount, considering the great degree of accuracy required.

These and many other objections are overcome by the valuable and ingenious "automaton balance," or gold-weighing machine, invented by William Cotton, Esq., which seems to have resulted from the discovery that the weighing by ordinary scales is extremely unsatisfactory; one clerk rejecting as light that which another accepted as current weight, as is proved by the fact, that, on reweighing three millions of sovereigns in the Bank of England at one time, which had been taken from the public as current weight, one tenth of them were found to be deficient, and were melted.

This machine, however, beautiful as it is, and suitable as an adjunct to the counter of every considerable bank, is too expensive for any except those who have a very large amount of gold to weigh. They are capable of weighing ten thousand coins per day; the price of these machines was £ 210, it is now £ 200, and £ 10 goes to the Clerks' Widows Fund, the remainder to Mr. David Napier, who has Mr. Cotton's consent to make these machines. Mr. Cotton very properly took out a patent to prevent others from bringing the machine into disrepute.

There are two or three improvements in the one shown at the Exhibition, and the price of such a one to weigh one size of coin, Mr. Napier says, is two hundred guineas; and if required with parts and adjustments to suit both sovereigns and half-sovereigns, the additional expense would be about £ 30; and he thinks that, to retain accuracy in the weighing, one could not be made cheaper, or of a commoner material. This must be matter of considerable regret, for their value is established by the fact, that the second machine made has been in constant use for six or seven years, and Mr. Cotton believes it has never made a mistake of one fiftieth part of a grain. They are in use not only at the Bank of England, in London, but at its branch in Liverpool, and at the Bank of Ireland in

Dublin; and as the cashier affirms, they have weighed eighty millions of pieces without a single case of error having been discovered.

There is a slight inaccuracy in the account given of this machine in Hunt's "Hand-book," Vol. I. p. 377. It should be thus:—"If the piece is heavy it remains stationary; if light, the beam is raised by the balance, the first hammer goes under it, and the other hammer then strikes it into the light box."

The best description is contained in the *Illustrated London News* for 22d March, 1845. And it may be well to give here Mr. Cotton's opinion as to the care required in using it:—"So delicate a machine of course requires attention; dust or dirt on the beam will of course interfere with accurate weighing; unless some person will look carefully to the machine, it will soon be out of order. At the bank, the clerk has two sovereigns, one one fiftieth of a grain lighter, and the other one fiftieth of a grain heavier, which he passes through the machine, to test its accuracy, every morning. In London, the machines are driven by steam, and in Dublin by a weight. If they are driven by hand, it should be a steady one."

The cost of this machine is certainly very high, and, allowing for deterioration, repairs, and interest of money, would not cost less probably than £30 a year; many, therefore, must be content with modifications of the old scales, and as improvements are suggested by those exhibited, by which some of the objections to the common scales may be lessened or removed, it will be well to refer to them. The complete inclosing of the scales in a glass case, as is done with testing-scales and assay-balances, would, for the purposes of weighing gold, be quite impossible; but the evils arising from currents of air may be materially lessened by protecting the scales on five sides out of the six; this glazed frame might stand on the further side of the counter, and, running on slides or wheels, be drawn readily towards the cashier when required, and at night a little blind might be drawn down, to protect the scales from dust.

In the use of scales, the silk cords are very much in the way, and frequently, by striking them, a rotatory motion is given to the scale exceedingly incompatible with perfect accuracy. Perhaps the "balance" action might be preferable, made to work flush or level with the counter, thus dispensing with the scale strings. The balances exhibited by Beranger & Co., the patent-right of which, for England, has been purchased by Messrs. Pooley & Son, on account of its delicacy, seems well adapted to this purpose. The patentees are making one, with some little modification, for Messrs. Cunliffe, Brookes, & Co., of Manchester. The working parts, being concealed beneath the counter, would be protected from injury, and a little lid put over the scale-pans at night would effectually keep them from dust, &c. Perhaps this principle, on account of the increased number of "bearings," is not so well adapted for very exact weighing, but considering that bank scales are scarcely ever in a condition to weigh very accurately, these might really be better suited for practical purposes.

An improvement which might be adapted to these balances, and which might rectify the errors arising from an occasional failure of sight, is

suggested by the position of the index-rod in the assay-balances and testing-scales which are exhibited. In all of these the rod is brought from the scale-beam downwards, and the index-plate is fixed to the bottom of the pillar. In gold-weighing scales, the pointing-rod is always put above the beam, so that at each action the eye has to quit the scale, and be raised to the top; this is very fatiguing, and no advantage at all seems to be gained by it; but the evil attending it is, that the eye is wearied, and the exact position of the scale is frequently missed in placing the coin upon it, thus causing vibration, and the equipoise is lost.

The importance of an index and pointing-rod at the bottom of the pillar was suggested to Messrs. Chambers & Co., who intend shortly to bring out something of the kind for money scales.

Messrs. Nicholl & Co. exhibited a very superior balance constructed in this way, with indicating-dial half way down, though not intended for weighing coin.

M. L. Reimann, of Berlin, exhibits some delicate scales, and one of them is provided with a screw, by which the scales are raised, thus insuring greater steadiness than can be obtained by the application of the finger to the lever; but much gentleness of touch is acquired by practice, and those with a lever and a little wheel raising a sliding bar are perhaps the best scales in use.

Lelune & Co., of Berlin, also manufacture some beautifully delicate scales, with an index at the bottom.

**DECIMAL BALANCES.**—Much time and trouble would be saved by the use of decimal balances, of which Mr. Broemel is an excellent maker. He says that 4,620 patent weighing-machines have been made at his establishment in the course of eighteen years; one beautifully executed little decimal balance, which was stated to weigh 100 lbs. (of course with a 10 lb. weight), is very deserving of attention. This would be just the thing for bankers' counters. Price, £5 5s.; and with it, the weighing of gold in bulk would be greatly expedited. For instance, in weighing 1,000 sovereigns, it is usual to count 100 first; then follow three shiftings from scale to scale, and four weighings; or if you begin with the 100 sovereign weight, then five weighings and four shiftings are required; whereas with the decimal balance the operation is performed by once raising the scale, with the 100 sovereign weight on the one side, and the gold on the other. This would do very well for full-weight gold.

A letter balance of Messrs. De Grave & Co. deserves notice in this place. This method for letter weighing seems far preferable to the scales in ordinary use; the letters, being of various shapes and sizes, are not conveniently placed within the cords of a scale, — still less so upon the balance-plates with a single suspending-rod; the *balance* surface, on the other hand, admits of any thing being placed upon it, of whatever shape, and being fixed, the parcel is not in danger of falling off.

In concluding this division of the subject, it may be desirable to call attention to the propriety of provincial banks employing provincial tradesmen in the manufacture of account-books and the provision of stationery materials. In all districts of the country the trades and profes-

sions are supported in a measure by each other, and it is manifest that the prosperity of its own locality is of more importance than that of the metropolis.

The practice of sending to London for stationery and account-books, which are the chief if not the only articles consumed by bankers, as such, of course arises from an expectation of being better served; and with the constant applications of London houses, of high respectability, for orders, presented through travellers, with the most polite assiduity, it is perhaps difficult to do otherwise. The consequence, if immediately beneficial, is ultimately injurious; it causes and perpetuates the evil which is named as a reason why London firms should be employed, viz. that a good book cannot be made in the provinces; the reason of this is manifest, that a good binder cannot get a living elsewhere than in London. The country towns and the cities also become, as it were, importers, instead of exporters; the labor is employed elsewhere, attended by the profit, and is of course followed in a measure by the capital, drawing all after it. The intelligent workman who has served his time, and saved his money, and who would, in ordinary cases, attempt to start in business for himself, with recent plans and new machinery, is discouraged, and goes to one of the great London houses; the effect of this is that *tradesmen* suffer; they are obliged to send to London through their stationers for books. London has a monopoly, and prices are raised. Thus the stationery business of a county is affected by the arrangements of a single establishment. It will be remembered that a bank with ten or twelve branches, spending between £200 and £300 a year in stationery, would, with a few other principal establishments, be sufficient to support a first-rate man, and enable him to procure adequate machinery; and this is one principal difficulty, the expense of machinery, which country tradesmen cannot meet, unless they have all, or nearly all, the work. As a simple illustration, one may generally tell a country-made book, by observing that the edges are cut by the old horizontal *plough knife*, instead of Wilson's excellent perpendicular cutting-machine, Class 6, No. 112. This, and many other valuable facilities in account-book manufacture, including folioing machines and powerful presses, are only to be obtained by tradesmen who have a considerable amount of business. The obvious course would appear to be, to begin with those books which are least important, and order these in the country, also all articles of general stationery. It will be found that the paper may be just as good, and the materials generally; only there will be less "finish" about the books, and the "lettering" may be a little irregular; this, however, will improve. Then in reference to important books, those requiring to sustain *long wear*, and some which it is desired should be especially good, — they may be ordered at the provincial establishment, just giving a hint that they must be *Thomas's* make. This will be understood; the provincial tradesmen will share with them in the advantage, and there will be no difficulty in recognizing the book when it arrives, even without their label.

LETTER-COPYING MACHINES. — At a period when all copying of letters had to be performed by hand, and by the process of transcription,

some solicitors and commercial firms found it answer their purpose, as a rule, not to copy their letters. Now, however, when the facilities of presses are so great, the least troublesome and the safest way is to copy every thing. This saves much time in consideration, and with proper arrangement of several books for distinct classes, letter copies may be kept in a very fairly accessible form. Since the adoption of the penny postage, the letter department in banks has of course been much increased, and the copying of letters assumes much of importance as a daily labor, and should be in every way facilitated, otherwise some of the advantage will be sacrificed in the delay.

The merits of the various machines exhibited may be noticed in three divisions.

1st. Those the construction of which is calculated especially to save time.

2d. Some combinations by which more power is obtained.

3d. The form most calculated for endurance.

Some of the presses unite all these, but are, perhaps, generally more distinguished by one particular.

1st. The press exhibited by Mr. Perry is almost the only one upon an entirely new principle, and combines very considerable power with great rapidity of execution. It is a combination, apparently, of the mechanical powers of the lever and the inclined plane. The pressure is obtained by means of a lever handle of moderate length, by suddenly bringing into an upright position two leaning bars; thus their length is, in the position which they occupy, practically increased, and this increased length is at the expense in the thickness of the copy-book which is proportionably diminished. This possesses an advantage in the immediate application of the power, and is better than the ordinary lever presses, as the horizontal action of the handle, which is in the same manner as ordinary printing-presses, is less fatiguing to the hand and arm.

In the ordinary lever presses, the surface between the handle and the perpendicular pressure bar, from extreme friction, becomes much cut and worn, by which the friction is much increased and the handle becomes liable to *fly up*. It is to be feared that this press is carried back to Montreal, but it might answer the purpose to obtain some from thence, even against a ten per cent. duty, if upon trial they should be found to answer. The price Mr. Perry asked for it was £ 5.

2d. The principle of the press exhibited by the Coalbrook Dale Iron Company, with double screw, is capable of exerting very considerable power, and may be useful, perhaps, in copying ten or twenty letters at a time, and if thought desirable to keep two presses, in case of one getting out of order, this might be tried; but the mechanical principle, "that what is gained in power is lost in time," is here most fully exemplified. The construction is not nearly so massive as seems to be required by such a principle. The price, however, is only 55s.

3d. The construction of some of the presses which attract attention under a third class, are those which seem specially adapted to wear long, in connection with other valuable qualities. "The newly improved

copying press," made by Barrett & Co., is very well and strongly made. Its principal advantage consists in the diminished friction at the point of pressure, where, instead of the two rubbing surfaces, a wheel is introduced, this greatly facilitating the application of the power, and rendering the press more lasting; as in all machinery, where there is undue pressure on very limited surfaces, there must be corresponding wear. It is found practically important that presses, whether screw or lever, should be *fixed*, their weight being insufficient when used rapidly, and of course this press, from the lever-pivot being on one side, and the lever being longer, will be more likely to tilt up than those with the lever-handle working in the middle. The prices of these machines without the "et ceteras" are moderate,—those  $9 \times 13\frac{1}{2}$  inches, £3; those  $11 \times 18$  inches, £3 10s.

There is one important feature in Pierce's imperial copying press, viz. that the pressure is not exerted upon the machinery of the press during the whole time the letter is in process of transfer, but merely for the moment of applying and removing the power, in order to place and displace the book; this is calculated to make it last much longer. The construction is extremely simple: the two plates are connected together by four stout rings of vulcanized India-rubber, two at each end; the lever is employed in the same manner as in Messrs. Barrett & Co.'s press, to separate the plates; the copy-book is then inserted, and when sufficiently pressed the power is again applied and the book removed. The price of this press is such as to recommend a trial of it. For press  $11 \times 9$  inches, 30s.

SCREW COPYING PRESSES. — One prominent defect marks the majority of the screw copying presses, and after being in use for a year or two they remind one strongly of an exploded steam-boiler, or a young blind horse. They are too powerful for themselves, and their construction does not recognize the mighty principle which they contain, and thus in the attempt to make them ornamental their efficiency is sacrificed; and although perfectly firm when new, the nuts, however tightly screwed, will move, and the pillars shake and totter, and this notwithstanding frequent attention and repair. As a striking exception to this, however, the presses of Messrs. Ransome & May are peculiarly distinguished for solidity and strength. The lower plate and the arch in which the screw works, are cast in one piece; this imparts a degree of firmness which cannot be obtained by screws and nuts. But even these do not seem to come up to the mark of what is required for actual every-day and all-day-long service. The screw should be larger, to prevent its wearing out in twelve months, and the whole thing still more massive. If the handle ends were heavily weighted also, the screw, if well oiled, with one pull would work itself, and save much manual labor. Of course, these remarks are not intended to apply to ordinary presses, or for branch banks, where only a small number of letters may be copied daily; but where the number is considerable, some improvement is necessary. Perhaps it may be considered that the screw, under favorable circumstances, is the most useful application for letter copying, remembering the advantages it affords of regulation in pressure, according to the time



available for procuring a copy ; and of screw presses, those lastly mentioned are certainly the best. Prices, — folio, £3 5s. ; large post, £2 7s. 6d. ; and three other sizes.

The presses by Messrs. Shenstone & Mills are deserving of distinction, on account of their style of execution, especially the large folio press, price £4 4s. ; and although elegance may not be of much importance in such a utilitarian commodity as a copying press, it is but right to point out the very beautiful workmanship of those by M. L. Poirier.

**PAPER DAMPER.** — There seems to be at present some difficulty in the process of damping the copying paper. The plan of sponging a plate of canvas-covered copper, and then pressing it first in the book to moisten the sheet, is attended with twofold trouble, and to avoid this, the plan has been adopted of sponging the paper itself with a flat-sided sponge, and then drying with a fold of linen. An ingenious instrument for avoiding this loss of time is to be obtained of Mr. M'Corquodale, whose patent damper consists of a hollow iron cylinder, about a foot long and an inch and a half in diameter, in which is a piece of cloth. In the cylinder there is an aperture the whole length the thickness of the cloth, which is by a screw at the end capable of being drawn out or in ; it generally protrudes half an inch or so. Near the centre of the cylinder is a small air-hole, protected by a key, which, on being raised, admits the air into the cylinder, and this imparts wet to the cloth, which is then drawn over the copying paper ; on the key being closed, the wetting of the cloth immediately ceases, being air-tight. The damper costs 10s. 6d. Perhaps this is not the best plan which could be devised for the purpose, and it seems important that press manufacturers should turn their attention to the subject.

**PATENT AUTOGRAPHIC PRESS.** — Messrs. Waterlow & Sons have recently patented an invention under this name, which professes to afford great facilities to bankers for multiplying copies of letters, circulars, &c. It appears to differ from the old lithographic system, in the transfer being made to a highly polished metallic plate, instead of the lithographic stone hitherto used, and the press is in the form used for copying presses some years ago. The great practical difficulties with the old lithographic press were, first, in writing upon the transfer paper, requiring a special pen and ink and special care, it being somewhat of a greasy nature ; then, secondly, considerable practice was found to be necessary in successfully transferring the subject to the stone ; these objections to the old, may perhaps be quite removed in the new system adopted. It is, however, rather remarkable that, in the testimonials published, they are entirely "opinions" of the "press," and newspapers are not, upon such matters, generally a very practical authority. As this press has now been before the public for fifteen months, it may be expected that some testimonials of its worth from those who have used it will shortly appear.

The type-paging of letter copying books by steam-power by Messrs. Waterlow & Sons, will afford a great facility in indexing and in reference, the date being longer to write in the index than the folio ; and for

reference, the date of the letter not being close at the corner of the sheet, and many letters being copied in one day, the difficulty of finding any one is very considerable.

**MANIFOLD WRITER.** — On ordinary occasions, it is desirable that letters should not be copied by the same party who writes them, the process being purely mechanical; but for the managers' private correspondence, "Wedgwood's improved manifold writer" would be very useful; this requires little arrangement. The registered clip desk would add to the facility. It may not be generally known, that, with care and practice, as many as six copies may be written at once by this means. The smooth glass style seems well adapted to this purpose.

Two or three other instruments used in carrying on the business of a bank will now be pointed out, including

**STAMPING AND PRINTING PRESSES, SEALS, AND LETTER CLIPS.** — The "crossing" of checks may be considered as an important operation, both as regards the prevention of fraudulent misappropriation and the facility it affords in the tracing of money transactions, which is frequently of use. The block upon which the printer's ink is sometimes insufficiently "distributed" being formed of a composition of treacle and glue, generally used by the printers for their rollers, is liable to become hard, and unless kept scrupulously clean and frequently renewed, the ink adheres to it, and the impression from the stamp becomes thick and unsightly. A very general defect in the impression thus produced by the hand is, that there is too much ink and too little pressure; they become rubbed as soon as pressed, and the checks are subsequently very unpleasant to handle. As a general rule, it may be said, that for stamping checks the ordinary printers' ink is too thick for hand pressure. The printing apparatus registered by Harrild & Sons is well adapted to supersede the old plan of stamping by hand. It is self-inking, and the raising of the handle causes a composition roller to pass over the type; and then, when the handle is brought down, a leverage is obtained, causing a very effectual impression. The price of this, if complete, is £2 6s.

The press made by Schlesinger & Co. is superior to the last-named in some respects. The arc of the circle described by the hand in working it, is not much more than half the former, viz. about 45 degrees, by which much greater rapidity of action may be gained; the composition of the roller is peculiarly adapted to its purpose. The *printers' composition* is only suitable where a constant and active movement is going on, when, in fact, it is in full work, and where it can be well washed and renewed repeatedly. In this press, the inking roller is of a different construction; it is a hollow cylinder, bound with cloth on the outside. There are some fine communications between the inside and the outside; the roller being filled with fluid but substantial ink, it gradually works through to the outside, as the demand is made upon it, and the makers say that, for ordinary use, the roller will contain a six months' supply. By raising the handle, the roller is brought in contact with the die; by pushing down the handle, the impression is then transferred to the paper. The price of this machine is £3 3s., complete, with die not

cut ; and any sort of stamp can be made to order for it, cut in brass, at  $3\frac{1}{2}d.$  per letter.

It has often been remarked how well all the foreign bills are stamped and marked ; and the manner in which they make their stamps is very peculiar. The letters are not cut out of the solid metal, as ours are, but they are built up with fine thin plate-brass or copper, with beautiful neatness and regularity ; the outline of these letters is most acute, and those brought over from Vienna by Carl Dinkler are especially beautiful.

**CONSECUTIVE NUMERICAL STAMPING MACHINES.** — Now that the paging of books is so small an addition to their ordinary cost, the best way is to have them paged by the maker ; the same may be said of notes, lodgment receipts, checks, letters of credit, &c. There are, however, some other purposes for which these machines may be found useful, amongst which the stamping of bills of exchange may be noticed ; in some banks, where a great deal of discounting is done, it might be as well to have such a press as Harrild's or Schlesinger's, both of which are very compact and convenient, but the expense would be a heavy consideration, viz. £ 25. Harrild's combines the numbering machine and the above-mentioned stamping machine in one. For those banks which issue Bank of England notes with their own stamp upon them, the "stamp-counter" apparatus, invented by M. C. de la Baume, may be useful ; by this means, the number of notes which had been stamped would be checked ; also, in despatching letters or circulars, the "date on which posted" might be stamped in the corner, just before placing in the post bag, and the number indicated by the dial, then compared with the number in the despatch book, should correspond ; this would be a check upon all the letters written being actually despatched. The expense is very inconsiderable, without the die £ 2, and of course one or many dies might be adapted to it.

The folioing machine sent over from Boston by W. & J. M'Adam is deserving of notice, on account of its extreme singularity. It consists of a long chain of type numbers, each group apparently cast in one piece. This chain, which is perhaps twelve feet long, is made to revolve round rollers, a link, or number plate at a time, by a motion of the foot, and, the whole chain having been inked, at each movement an impression is produced upon the book or paper placed upon the platform. Unless the type can be very cheaply made, it would seem that this must be an expensive construction, although some of the apparatus is dispensed with.

**EMBOSSING PRESSES.** — It would be well if some way could be discovered by which the exceedingly neat and clean impression of these machines could be rendered permanent and irremovable. At present, although exceedingly adapted in some respects for stamping checks, the possibility of obliterating the impression by pressing and rubbing is a decided objection, as a "crossing" once made should not be liable to be erased in any way.

As at present used, they may perhaps be applicable for some purposes, and the suggestion having been made to some of the manufactur-

ers that permanence in the impression was very desirable, it is quite possible that some improvement may be the result. Two or three makers may be mentioned, whose presses manifest considerable care and judgment in their construction. Mr. Muir's India-rubber spring press is very much adapted for rapid use, the weighted end of the handle merely requiring a single pull from the hand; this causes the pressure, and the spring immediately returns the screw to its former position. The whole of Mr. Muir's assortment seem constructed in a very scientific manner, which may also be said in reference to the embossing presses exhibited by Mr. Jarrett, Messrs. T. Wells, Ingram & Co., and Mr. Collett.

**SEALS.** — The watch-ribbon and pendant seals are now but rarely seen, and the enormous wax impressions upon letters have almost disappeared. These have been replaced by smaller seals, and very recently, in a majority of cases, by adhesive gum.

The latter, however, is not suitable, perhaps, for many occasions occurring in banking business, where there is either security for value to be insured, or secrecy in reference to matters of a confidential character necessary; and there are means of opening adhesive envelopes, which make them sometimes unfitting inclosures. In many cases, however, the adhesive envelopes, or letter-paper, which might be made as readily adhesive, may be used, and now that letters are carried for one penny it is desirable that every facility should be afforded for their convenient transmission; and a thick seal, whether small or large, is a most inconvenient thing in a letter-carrier's budget. Seals, too, if well mixed, take much time to make. Even whilst regarding it as a duty to diminish by all means the unnecessary thickness of letters, it is difficult to reconcile one's self all at once to the abandonment of the highly ornamental wax impression; and the temptation is irresistible to call attention to the rare specimens of skill exhibited in Mr. Martin's "Tornography." This is certainly a most beautiful manner of cutting seals, and the sharpness and depth of the impression are highly ornamental; but, as has been already said, the gratification at this invention must, however, be qualified by the fact, that the post-office (to whom the public are greatly indebted) does not like thick seals; and as a matter of security, a thin, well-pressed seal is always a greater protection than a thick one, for there are curious devices for removing seals, which are very difficult of execution where there is little depth of wax.

**LETTER CLIPS.** — Much convenience may be found in the use of letter clips, not so much for confining letters as for holding checks during the entry of them in the day-book, &c. The process may be considerably assisted thereby, as they may be turned over readily with the left hand, without fear of damaging the position of the pile; the most convenient plan will be to confine them at the upper left-hand corner with one of Whitehouse & Sons' registered square clips, with spring and wheel, — price 1s.

For confining letters, "circulars to bankers," or pamphlets, the clip-book exhibited by De la Rue & Co. would be very suitable; or, better still, the screw leaf-holder by Charles Knight.

IMPROVEMENTS IN PRINTING AND ENGRAVING.—The engraving and printing at present required for a bank-note and for a check differ somewhat materially. As has been already remarked, the danger of fraud with regard to checks consists not so much in the imitation of the engraving or the paper, as in the alteration of the "amount"; this offence, although amounting to the crime of "forgery," being more lightly punished than the imitation of a signature. For the purpose of preventing this, therefore, the "vegetable color" is well adapted for checks, whether embodied in the pulp from which the paper is made, producing the "tinted" check paper, or composing the ink with which the check is printed; therefore, for all purposes of safety, a plain check-plate is practically as good as an elaborate one.

Some remarks upon the tinted paper will be found under heading "Paper for Checks."

The plan adopted by some banks of having their checks engraved, and then the name of the branch, &c. inserted in letter-press, is rather an expensive mode, requiring a double process. Additional prominence is frequently desirable in some parts of an engraved or printed document, and this is not always sufficiently obtained by a greater size of letter, but is more effectually produced by the use of a different color; this has usually necessitated two processes, but in the samples of printing exhibited by Mr. Mackenzie, two distinct colors are impressed by one "form" at one time. This is done by using materials of two different heights.

An invention, corresponding somewhat in effect with the last named, though very superior in principle, has been made by Mr. Fisher, the inventor of the postage-stamp color, &c. The specimens exhibited are apparently printed in two colors, a neutral tint for the background, and black for the letters; and yet these two are produced at one printing, from one plate, at one press, and with one inking. This is certainly very singular. It is caused by a peculiar property in the color used, which is extremely sensible to alteration by the quantity placed upon the paper. The engraving is on steel, and in the process a *background* is worked upon the plate extremely fine, the *letters* being engraved much more heavily; when finished, to all appearance it presents one smooth and even surface, and is inked at one operation. This invention possesses a threefold advantage. 1st. The greater distinctness in the impression, having two colors without additional labor. 2d. The vegetable color, being highly sensitive, prevents its being tampered with by acids, &c. 3d. The secret composition of the color would prevent the imitation of documents printed in it. The first and second may be considered as bearing upon the printing of *checks*, the third may be valuable in reference to *notes*, the object being to preclude their *imitation*, rather than prevent their being altered.

ENGRAVING AND PRINTING NOTES.—The usual custom of engraving notes in a manner extremely elaborate and minute has some advantages, and the end in view, viz. to prevent *correct imitation*, is certainly obtained; for there are very few engravers capable of such execution, and those few are too fully employed by Messrs. Perkins & Co., and some of the leading tradesmen, to find any time for mischief; the ulti-

mate object is, however, to prevent loss, and in this particular the minute engraving might not be equally successful. This minute engraving partakes rather of the character of the secret marks of the Bank of England notes, and to themselves alone these marks may be very useful, and are so, for it is very seldom that the loss of forgeries falls upon them.

It seems desirable that in bankers' notes the minutely engraved groundwork sometimes seen, and consisting of the repetition, hundreds of times over, of the name of the bank, should not be entirely relied upon. Not one in one thousand of the public, perhaps, is aware of its existence; much of this work is hardly legible by the naked eye, and a person unaccustomed to scrutinize it at the counter would not observe its absence. For the purpose, therefore, of the public's participation in the advantage the banker secures to himself, it might be well to accompany this minute work with a fully engraved note on both sides, in such a manner that persons of ordinary intelligence may judge whether they have a good note in their hands, or a worthless strip; thus the value of our paper currency will be enhanced. Mr. Fisher's ink color, referred to above, will be very suitable for printing the notes; by this means additional prominence may be given to the amounts, &c., although its susceptibility as a vegetable tint would be most available for checks. Mr. Fisher has not, at present, introduced his color for sale, being desirous to dispose of his invention.

The patent process exhibited by Messrs. Royston & Brown will be very useful for minute engraving; the charge for 20,000 notes of the usual size, in strong bank-note paper, including extras for watermark, numbering plate, &c., would be about £ 3 15s. per thousand; a larger number would be proportionably less.

**CUTTING NOTES.**—In connection with the engraving of notes, a reference may be made to the very considerable expense attending their circulation; of course the advantages derived from a paper currency are mutually shared by bankers and by the public, and the interests of both are closely identified. It is to be regretted, therefore, that the apparent interest of one should in any way be sought at the expense of the other, as in the case of "*cutting notes*"; the expense of prematurely renewing these, the engraving, paper, &c., being alone considered, is something; but when the trouble of cancelling, writing off, entering, and re-entering, examining of numbers, signing, countersigning, dating and checking, is all considered, the labor is very great indeed. It is difficult to account for the great number of cut notes, now that commercial travelers so uniformly take drafts on London, unless it be that some bank, with a very large number of branches, may have thought it right to adopt this plan for safety, bankers being, of course, obliged to send notes by post. There seems to be an idea upon the public mind, that, if half a note comes safely, that is all they require. It may be well for them to understand that bankers do not pay single halves of notes *upon demand*, and that drafts on London, or even post-office orders, are a far preferable mode of remittance.

(Concluded in the June No.)

## LAWSON'S HISTORY OF BANKING.

## CHAPTER VIII.

## ON COUNTRY BANKING.

*Mode adopted by Manufacturers in the Country previous to the Introduction of Local Banks. — First Notice of the Formation of Country Banks. — James Wood of Gloucester. — Origin of the House of Smith, Payne, and Smith. — The Rapid Progress made by the Banks. — Adam Smith and Harley, Earl of Oxford, on Capital and Credit. — Increase of Banks encouraged by London Bankers. — Great Difficulties of the Country Banks in 1793 and 1797. — Inability of the Country Banks to procure Gold to pay their Notes. — Alarming State of the Country. — What constitutes a Good Banker. — Disgraceful State of the Copper Coin. — Country Bankers' Notes first stamped. — Unjust Charge against the Banks. — Comparison between the Manufacturing and Agricultural Districts in England, in Reference to the Circulation of Bankers' Notes. — Suppression of the Small Note Circulation. — Difficulties such Banks have to contend with. — Attempt to make Country Bankers deposit the Amount of their Issues with the Government. — Anecdotes of Robberies of Bankers and their Clerks. — Diabolical and Successful Attempt to ruin a Country Banker. — Mode of Adjusting Payments in London by Country Bankers. — Abstract of the Act limiting the Amount of Bank Issues. — Remarks thereon. — On Savings Banks.*

WRITTEN contracts for the payment of money originally assumed the form of the bill or promissory note, payable to the person or persons named therein. It soon became obvious, that these instruments would become more valuable if made transferable, either to order or bearer, and accordingly we have in the first the elements of the modern inland bill of exchange, improperly so called, and in the latter the bank-note.

Both these instruments play so large a part in the business of a country banker, that he might not inaptly be styled a dealer in promissory notes payable on demand either to the bearer or to the indorser; and they may be said to have had their origin somewhat after the following manner. Manufacturers employing a great number of poor people were sometimes disappointed in raising the necessary supplies for their weekly wages; they therefore hit upon the expedient of paying their workmen by a temporary species of paper money, payable some months after date. At first there was a difficulty in exchanging them with the shopkeepers; yet some few were found to take them, and consequently obtained the custom of all the workmen; which others perceiving, soon found it their interest to take them also; and, as the same were punctually paid when due, the confidence in them increased until the period of their circulation was lessened; and, at last, such was the credit obtained by the issuers, that their notes — as they were then called — were made payable on demand, and freely taken, not only by the workmen, but by the tradesmen themselves, who frequently found that description of circulation more convenient for paying distant creditors than even the precious metals.

No one would refuse to accept as money the promissory note or obligation of an individual of whose solvency no doubt could be entertained; and, inasmuch as value of some description must, it was presumed, have been originally given for such promissory note or obligation, it was obvious that, whilst it continued to circulate from hand to hand, it was a benefit to the public, whilst at the same time its continuance in circulation was a very great source of profit to the issuer.

The first notice that we find of the establishment of any regular country bank in England is in a letter from Newcastle-on-Tyne, in the month of August, 1755 (*vide* Newcastle Courant of the 23d August, 1755), in which it is stated that "notes are issued from the bank established in this town by a company of gentlemen of character and fortune, which will be of infinite advantage to this place and county." These notes were issued in advance to tradespeople, whose bills were discounted by the bank.

Some similar accommodation, through the medium of large shopkeepers, or of private individuals, who exchanged cash for bills, had previously existed; and it is a reasonable conclusion, that without some such accommodation the internal trade and manufactures could never have been carried on. Another source of supply was also formerly drawn from the collectors and receivers of the revenue, who were permitted to retain in their hands the money so collected for some time after its receipt; and, indeed, previous to the formation of banks, it was often — as we have shown — a matter of difficulty for the receivers of the revenue who resided in the more distant parts of England to find a secure mode of transmitting the public revenue to London.

These parties consequently discounted bills for their immediate friends; but, as they were confined to large towns, and only two in each county, and, their receipts seldom being more than adequate to the demand for money where such collectors happened to reside, the rest of the county must have experienced considerable inconvenience in procuring cash for their bills.

The increase in the trade of the country must have augmented these difficulties, and necessitated the transition from a partial and dependent source of supply to more regular and extended accommodation, and have given permanency to such institutions as made it a business to provide it. From these well-known facts, it is demonstrable that, though banks for the express purpose of supplying the country traders with cash for their bills and other advances of money are of comparatively late date, yet less direct, though much less efficient, means have always been found absolutely necessary.

On the foundation of banks in the country, those traders who had previously maintained a direct correspondence with merchants in London, in reference to money transactions, now carried on such business with the metropolis through the medium of the banker in their own neighborhood with whom they kept their cash.

On this account the country banker drew largely upon a London banker, who agreed to transact the extensive country business thus acquired at a much lower commission than what had formerly been paid



by the several country traders to their separate correspondents ; the rate of commission was reduced in consequence of the diminished trouble as well as risk ; the labor of keeping accounts, writing letters, making remittances, receiving and paying bills, was now transferred to one house, which had before been divided among many ; and a new security was thus afforded to the transactions between the metropolis and the country by the interposed credit of wealthy and respectable banks, the establishment of which tended to strengthen, as well as to enlarge, the basis of credit.

The origin of many of our country banks may be traced to very humble causes. It must not, however, be supposed that circumstances were alike in all cases ; but a general idea of their nature may be obtained from the history of one or two of the earliest country banks.

In a history of Gloucester, it is recorded that "Mr. Wood's is the oldest private bank, with the exception of Child's, in the kingdom, having been established by James Wood, Esq., the grandfather of the present proprietor, in the year 1716 ; and the present Mr. Wood, whose name is of so much celebrity as to be known in almost every part of Great Britain, is perhaps possessed of more wealth than any commoner in his Majesty's dominions." What kind of a bank the grandfather kept, or how he conducted his business, we have not been able to trace ; but the late proprietor of the "Old Gloucester Bank" was such a well-known character as to require some special notice.

Mr. James Wood, the celebrated millionaire and sole proprietor of the Old Gloucester Bank, was born at Gloucester in the year 1756, and in connection with this bank he, to the day of his death (Mr. James Wood of Gloucester died 20th April, 1836), kept a shop such as comes within the description of a chandler's shop, in which he sold almost every thing, from a mouse-trap to a carriage ; not that his premises were large enough to contain all the necessary stores in which he dealt, nor indeed was it requisite that they should do so ; for his wealth was sufficiently well known to the various large manufacturers and traders, so that they were at all times ready to supply him with goods to any amount.

At one end of the shop the business of the "Old Gloucester Bank" was transacted ; and the whole establishment was managed by Mr. James Wood, and (it is believed) *two* clerks or assistants. His habits were very penurious, and various anecdotes, illustrative of his miserly disposition, have since his death been widely circulated. He was unmarried ; entertained no company ; visited no one ; spent his whole time in his bank or shop, and his Sundays in a long walk in the country.

The death of such a character excites no emotions of regret, but, on the contrary, contempt is felt for a man so covetous and of a disposition so grasping. Like most misers, Wood left conflicting testamentary documents, which, since his death, have produced great and protracted litigation ; and, as a consequence, a prolific source of profitable employment to the gentlemen of the long robe. James Wood's personal property was sworn under £900,000.

We turn from the description of this shopkeeping banker to another of a different calibre.

In a borough town of importance in one of the north midland counties dwelt a respectable draper, possessing a good connection with the farmers frequenting the market of the town. Although the name of Robin Hood had long lost its terrors, those of Turpin and Nevison filled all men's minds with fear, — and with good reason; for they and their fraternity exercised their calling with such energy and success, that it was always a matter of doubt with travellers whether or not they should arrive in safety at the next inn, or their destination, whatever that might be. With the farmers above alluded to, there were more than ordinary grounds of alarm; the town almost adjoining the scene of the far-famed exploits of Robin Hood and his merry men was admirably situated for a levy by their less romantic successors of extemporaneous taxes. To avoid as much as possible the losses thus arising, farmers, having full confidence in the honesty of the draper with whom they dealt, made him the depositary of their ready cash. Ready cash of his friends was, to our draper, as valuable as capital of his own, and buying for ready money was profitable; still, money remained idle in his hands; and, by degrees, he extended accommodation to his neighbors. Our draper now became famous for his extraordinary command of money, and his correspondence extended as far as Preston, in Lancashire. The profits thus arising seemed boundless, and the next step was taken by our adventurous shopkeeper; he allowed a small interest to his friends the depositors. The new business flourished to such an extent that it swallowed up the old one, and our draper at length became a *banker proper*, and no more a shopkeeper.

Such was the origin of the Smiths. First confined to the town of Nottingham, afterwards extended to Hull and Lincoln, the business of the firm required a London correspondent entirely in their interest, and such they found in the late Mr. Payne. And thus was founded the well-known firm of Smith, Payne, and Smith, whose prosperous career it is not our business to follow.

The increase of banks throughout the country was actively encouraged by the private bankers of London, and indeed the existence of a great national bank like that of the Bank of England naturally assisted the creation of smaller establishments.

In all those places the trade of which has been sufficient to encourage a plurality of banks, it has been found that the competition has contributed to the public accommodation, there being in all large manufacturing and commercial towns rival firms, whose financial operations could not, with propriety, be intrusted to the same house.

“It is not by augmenting the capital of the country, but by rendering a great part of that capital more active and productive than it would otherwise be, that the most judicious operations of banking can increase the industry of the country. That part of his capital which a dealer is obliged to keep by him unemployed and in ready money, for answering occasional demands, is so much dead stock, which, so long as it remains in this situation, produces nothing either to him or to the country. The judicious operations of banking enable him to convert this dead stock into active and productive stock, into materials to work upon, into tools to work with, and into provisions and substance to work up into stock, which produces something both to himself and his country.

"The gold and silver money which circulates in any country, and by means of which the produce of its land and labor is annually circulated and distributed to the proper consumers, is, in the same manner as the ready money of the dealer, all dead stock; it is a very valuable part of the capital of the country which produces nothing to the country.

"The gold and silver money which circulates in any country may be compared to a highway, which, while it circulates and carries to market all the corn and grain of the country, produces itself not a single pile of either.

"Banking, by providing, if it may be allowed so violent a metaphor, a sort of wagon-way through the air, enables the country to convert, as it were, a great part of its highways into pastures and cornfields, and thereby to increase very considerably the annual produce of its land and labor." — Smith's "Wealth of Nations."

The credit given to the circulation of country banker's notes must owe its maintenance to the spontaneous confidence of the public; for credit is a consequence, not a cause; the effect of a substance, not a substance; 'tis the sunshine, not the sun; the quickening that gives life to trade gives being to the branches, and moisture to the root; it is the oil of the wheel, the marrow in the bones, the blood in the veins, and the spirit in the heart of all the negotiations of trade, cash, and commerce.

"Credit is produced and grows insensibly from the firm and upright dealing, punctual compliance, honorable performances of contracts and covenants; in short, it is the offspring of universal probity." — *Vide* "Essay on Credit," by Robert Harley, in the 13th Vol. of Lord Somers's Collection of Tracts in the British Museum.

The credit of a banker passes current through the medium of promissory notes, payable on demand, not only because the public think they can receive money for them when required, but because of the known reputation of the banker; and no one objects to receive such notes or to buy goods with them, fearing to have them returned, so long as the ability to pay remains undoubted.

The confidence in bankers' notes, from their first introduction to the year 1772, had received no material check; but at this period the failure of the Ayr Bank in Scotland, accompanied by others of great extent in Holland, caused such notes to be greatly depreciated; and, had not the Bank of England assisted those bankers whose solvency was unquestionable, the consequences both to public and private credit would have been very serious.

The next check to commercial credit arose from the failure of a circulation established between Lancashire and London, well known in the courts of law as the case of *Gibson v. Johnson*; but, although the amount was large, the circumstances arising out of the failure were so limited in their effects, that it did not produce any general convulsion in the money market.

During the interval between the failure of the Ayr Bank and the distress of 1793, a very material change had taken place in regard to the general circulation. Banks had been established in almost every town throughout the country, and in the larger towns rival establishments were formed. These produced a most important and beneficial change to the country by increasing its circulation; but, as this was not founded on sound principles, it was liable to be affected by any sudden shock or panic given to public or private credit; and it not unfrequently hap-

pened, that those country banks whose principals were men of large property could not stem the torrent of mistrust, which spread like a contagion, till its consequences were incalculable.

Thus, for instance, in the beginning of the years 1793 and 1797, the banks of Newcastle stopped payment, whilst those of Exeter and the West of England stood their ground. 'The partners in the banks at Newcastle were far more opulent; but their private fortunes, being invested, could not be realized in time to answer a run on the banks. They allowed interest on their notes to commence some months after date, and then become payable on demand, by which means they had no time to prepare for their discharge. The banks in the West of England, on the contrary, very wisely issued notes payable twenty days after sight, with interest to commence from the date of the note, and to cease on the day of acceptance. This practice enabled the latter to communicate with their correspondents in London, in time to receive that degree of assistance in which they stood in need.

Another circumstance contributed very materially to produce the distress in 1793, which was the sudden and unexpected declaration of war. Such an event is usually preceded by some indication which enables the commercial and moneyed men to make preparations. On this occasion the short notice rendered any preparation impossible. The manufacturers in their distress applied to the country bankers for relief; but, as the want of money became general, and that want was increased gradually by a universal alarm, the country bankers required the payment of old debts, being utterly incapable of increasing them, which of course brought their own situation to the test.

We now come to a period in the history of banking marked by one of the most extraordinary circumstances that ever happened in this country, namely, the stoppage of the issue of specie in their customary payments by the Bank of England. This event we have fully detailed in another part of our work; we shall therefore confine ourselves to its effects on country banking.

On Monday, the 20th of February, 1797, the whole of the bankers in Newcastle-on-Tyne suspended their issues of cash by agreement. They were impelled to that step by the following circumstances. The preceding Saturday being market day, the farmers, actuated by an apprehension of an immediate invasion, sent into Newcastle the produce of their farms, which they sold at very low prices, and immediately resorted to the different banks to convert the notes they had collected into specie. This drain of gold not subsiding on the Monday, and the banks, conceiving it to be their duty to retain a sufficient proportion of cash to pay for their issues to the army, colliers, and manufacturers, took the step above mentioned, and, owing to the impossibility of procuring specie from the Bank of England, even this partial payment was suppressed.

The following notice was extensively circulated through the whole district:—

*"Newcastle, 20th February, 1797.*

*"As the very great demand for gold, which has continued for some time to be*

pressed upon the banks in this town, makes it necessary that an extraordinary quantity of specie should be brought into the country,

"Messrs. Ridley, Waddington, and Co.,

"Messrs. Surtees, Purdoe, and Co.; and

"Ralph John Lambton, Bulman, and Co.,

respectfully inform the public that they intend to take immediate measures for that purpose; and they earnestly hope that any further call upon them for gold will be suspended in the mean time, till they can obtain the supply adequate to the occasion."

A meeting of the wholesale traders of the town was held, at which resolutions were passed declaratory of the unabated confidence in the banks of Newcastle. Similar demonstrations of confidence in the stability of many other banks were also made.

In the mean while, the alarm in the country continued to increase; confidence in many of the banks vanished; every creditor was clamorous for payment, which he insisted should be in gold, and which was complied with until the bankers in London were exhausted.

At first the Bank of England accommodated themselves to circumstances, and furnished large supplies; but unfortunately the Bank directors caught the plague or panic; their nerves could not support the daily and constant demand for gold, and in order to check that demand they curtailed their discounts to an amount never before attempted. This determination on the part of the Bank, and the extent to which it was carried, came like an electric shock, placed every part of the community in the most imminent danger, and finally ended in the suspension of all payments in cash.

The suspension of cash payments by the Bank of England, and the consequent issue of one and two pound notes, compelled the country bankers to avail themselves of a power voluntarily assigned to them; and by converting their credit into an artificial capital they almost unconsciously became the authors of great distress to the community. The temptation presented to the established country banks to substitute their own paper currency for specie, and to supply farmers, shopkeepers, and manufacturers with their local notes at a profit, was under such circumstances too strong to be resisted.

At the period when the restriction on cash payments by the Bank of England took place, it is calculated that there were about 280 country banks in existence; but, as at that time they were not compelled, as at present, to take out licenses, their number cannot be accurately stated, but there can be no doubt they rapidly increased from 1797, to the year 1813, by which time they numbered upwards of 900. It is too much the fashion to exaggerate the amount of misery brought on the community by the failure of country bankers; for it does not appear that such failures, or the losses caused thereby, have been to so great an extent as in other branches of commerce. In the Appendix to the Report from the Select Committee of the House of Commons on Banks in the year 1841, may be found a separate statement of the number of bankrupts in twelve manufacturing counties and in twenty-nine agricultural counties; and the effects of the issues of country notes on the general trade of the several districts where those notes circulate. In the twelve counties in England distinguished for commerce and manufactures,

making use principally of Bank of England notes and bills of exchange, there were from 1834 to 1841, both inclusive, 5,953 bankrupts in a population of 6,944,032; and in the twenty-nine counties of England and the whole of North Wales, distinguished for agriculture and mining, there were in the same period 1,860 bankrupts in a population of 6,952,209.

This view, however, limited as it is, merely indicates the source of truth; it does not fully and completely develop it. Every one of ordinary commercial knowledge is aware that the debts owing by bankrupts in manufacturing districts amount to three or four times the amount of debts owing by bankrupts in agricultural and mining districts. A perfect analysis of the number and amount of debts would probably show a proportion of more than ten to one in favor of country issues and against issues of Bank of England notes and bills of exchange, so far as the fact of bankruptcy gives evidence of the effects produced by various different issues on the condition of the people.

Bankers possess, from their peculiar position, very superior means of distinguishing the careful from the improvident trader; indeed, it is considered as a regular branch of their professional experience, that they should appreciate the credit of the various traders within the district of their circulation; and this sort of practical sagacity they cultivate with great assiduity. It is the general practice of bankers to communicate, confidentially, with each other, touching the credit of any individual. While the transactions of country traders are thus surveyed by the banks of their respective districts, those of the country banks themselves are subject to the review of the London bankers, their correspondents, and these again are in some degree controlled by the Bank of England, which restricts, according to its discretion, the credit with which the bankers are accommodated.

A series of checks thus maintained — though far from establishing a complete security against all injurious speculations — presents a powerful obstacle to its progress. The system of country banking, as practised by men who know their business, is directly opposed to speculations: the country banker feels, or ought to feel, that it is his interest to discourage and prevent it by every means in his power.

A banker, in his character as trustee for others, should be at all times a man of decision, and have a general knowledge of the respectability and responsibility of the mercantile community, especially of his own neighborhood. The science of banking is not intuitive: there is no golden road to it. A man may be rich and powerful in his neighborhood, and looked up to as a man of wealth; but, as the taking care of his own estate is not banking, his character as a banker only commences when he has to take care of, and judiciously employ, the moneys of other people intrusted to him.

It is by neglecting to watch narrowly the operations of commercial men, that bankers are too often instrumental in causing, not only the failure of their customers, but of themselves also. To avoid as much as possible this state of things, a banker should, at the proper time, be able to negative the applications made to him for assistance, and on no

account to allow feelings of personal nature to get the better of his judgment.

Most bankers in the country carry on their business of borrowing or receiving money at interest, as well as lending upon securities, and they thereby form a connecting link in the chain between the operative and inoperative classes; they become the debtors of the capitalists and the creditors of the producers or distributors of revenue, and thus afford a ready medium of adjustment between the interests of these two great divisions of society. It is therefore the chief object of his study, and his constant desire, as we have stated elsewhere, to search out and to make choice of the most secure, as well as the most profitable employment of the capital which is thus placed under his charge, and for the safety of which he is responsible.

Those banks which issue notes are enabled to afford great convenience to persons paying or receiving their rent; and are generally of great advantage to the neighborhood by rendering them occasional accommodation. This could not be done to any thing like the extent to which it is now carried on in the absence of such a circulation.

The disgraceful state of the copper coinage of England about the year 1786 induced several of the country bankers and private traders to issue what was usually designated "provincial halfpence"; these, in some districts, totally supplied the place of the coin of the realm. They were for the most part very well executed, especially those struck at Birmingham. They generally represented some remarkable event or public building in connection with the town from whence they were issued. The Canterbury halfpenny had the Cathedral, and the York the noble Minster; the Leeds token had the Cloth Hall, &c.

Striking emblems of that spirit of industry and commerce which peculiarly characterizes the English were displayed on these coins; one payable at Ipswich had "May God preserve the plough and sail." At Newcastle the penny bore the following on one side: "One penny token, for public accommodation"; on the reverse, a bale of cotton surrounded by a wreath, with this inscription: "Payable at the Cotton Works, Newcastle, one-pound note for 240 tokens 1813. A weaver is at work upon a Haverhill coin; reverse, a plough and shuttle. Ships in full sail adorned the coins, and were meet insignia of the trade, of Liverpool, Yarmouth, Portsea, and the Cinque Ports.

Illustrious characters and men remarkable in British history had their effigies transmitted to distant climes upon common currency, which perhaps conveyed the "charge of fame" better than expensive medallions: they however partially disappeared when the new copper coinage of 1799 was issued by government; and by the 57th George III. c. 3, "the issuing and circulating of pieces of copper money, or other metal usually called tokens," was prohibited; and they were entirely withdrawn.

A considerable revenue having been raised by a stamp duty on bills of exchange and promissory notes, it would naturally occur to the government that the promissory notes of a country banker, payable on demand, might fairly be subjected to a duty, as well as the promissory

note of a merchant or other individual. Accordingly, about the year 1791, a duty was imposed on the issues of country banks. The promissory note of an individual once paid may be said to have performed its office ; but it is not so with the promissory note of a country banker. When this is brought in and paid, it is reissued, and becomes in fact a new promissory note to a new holder. When the attention of the government was called to this subject, it was suggested that notes thus reissued ought in equity to be restamped ; but it was soon obvious that to subject each note to a fresh duty would not, from the nature of banking business, be possible ; the government therefore passed an act in 1804 limiting the reissuing of all country notes to three years from that date.

The country bankers, even those of the very highest respectability, could not always prevent the accidental reissue of the notes after the legal period ; and persons who would have shrunk from the contemplation of a fraud on the revenue found themselves, in consequence of the oversight of a clerk, the objects of a prosecution, and subject to a very high penalty. Various informations were from time to time exhibited against different banking-houses, and fines to a large amount were recovered.

The bankers at length submitted to such an increase of duty as might be considered equivalent to the advantages arising to the revenue from the period to which the reissuing of notes was restricted. In the year 1815 the duties upon country bank-notes were increased, and all notes bearing date after that year were allowed to be reissued as long as the parties thought fit. (*Vide* Report of the House of Commons in 1819, on the Bank Restriction Act, p. 407.)

The following scale of duties in 1797 and 1815 will serve to show the great increase of duty on promissory notes between these periods : —

1797.			DUTY.			1815.			DUTY.		
£.	£.	d.	£.	s.		£.	s.		£.	s.	d.
2 not exceeding	30	2			Not exceeding	1	1	0 5			
30 not exceeding	50	3	1	1	not exceeding	2	2	0 10			
50 not exceeding	100	4	2	2	not exceeding	5	5	1 3			
100 not exceeding	200	6	5	5	not exceeding	10	0	1 9			
200 and upwards		8	10	0	not exceeding	20	0	2 0			
			20	0	not exceeding	30	0	3 0			
			30	0	not exceeding	50	0	5 0			
			50	0	not exceeding	100	0	8 6			

Besides the stamp duties payable on notes, each individual or company issuing notes must take a license renewable annually, the cost of which is £ 30. This license specifies the names and places of abode of the body corporate, person, or persons, in the firm to whom it is granted, the name of such firm, the place where the business is carried on, &c., and a separate license must be taken out for every town or place where any notes shall be issued by or on account of any banker. Unless the license granted to persons in partnership set forth the names and places of abode of all persons concerned in the partnership, whether their names appear on the notes issued by them or not, such license shall be absolutely void (55 George III. c. 144).

The 9th George IV. c. 23, authorized English bankers, not in the



city of London, or within three miles thereof, to issue promissory notes, and to draw and issue bills of exchange, on unstamped paper, for any sum of £ 5 or upwards, expressed to be payable to the bearer on demand or to order, at any period not exceeding twenty-one days after date, upon obtaining licenses costing £ 30 ; provided such bills of exchange be drawn upon bankers in London, Westminster, or Southwark, or provided such bills be drawn by any banker or bankers at the place where he or they shall be licensed to issue unstamped notes and bills upon himself or themselves, or his or their copartner or copartners, payable at any other place where such banker or bankers shall be licensed to issue such notes and bills. Bankers having such licenses are to give security by bond that they will keep a true account of all promissory notes and bills so issued, and account for the duties on them at the rate of 3s. 6d. for every £ 100, and also for the fractional parts of £ 100, of the average amount of such notes and bills in circulation.

Persons post-dating unstamped notes or bills shall for every such offence forfeit the sum of £100.

The act of the 3d and 4th of William IV. c. 83, directs that all persons or associations carrying on banking business, and issuing promissory notes payable on demand, shall keep weekly accounts of their issues, and shall within a month of each of the quarters ending with the 1st of April, 1st of July, 1st of October, and 1st of January, make up from the weekly accounts an average account, verified on oath, of their issues during the preceding quarter, which shall be transmitted to the Stamp-Office in London. The penalty for neglecting or refusing to make and transmit such account, £ 500 on the corporation, company, person, or persons issuing the notes, and £ 100 on the secretary so offending. The wilful sending a false return to be punished as perjury.

Previous to the year 1774, there was no legislative restriction to the issue of small notes, which were circulated freely in various parts of the country, but more especially in the northern counties. In the 15th George III. an act was passed, "to restrain the negotiation of promissory notes and inland bills of exchange for any sum less than twenty shillings"; and in the 17th of the same reign, another act was passed "for further restraining the negotiation of promissory notes and inland bills of exchange for any sum less than five pounds"; which acts were in the 27th of the same reign made perpetual.

By the 37th of the same reign the said last recited act, so far as the same related to the making void of promissory notes, drafts, or undertakings in writing payable on demand to the bearer thereof, for any sum less than the sum of five pounds in the whole, was suspended until the 1st day of May then next ensuing, which suspension was by several subsequent acts continued until two years after the expiration of the Bank Restriction Act; and on the 22d of July, 1822, the regulations as to the issuing of notes under the value of five pounds were further continued until the 5th of January, 1833.

Such was the state of the law as it regarded the issue by country banks of one-pound notes, which were issued by them in their respective districts, as the trade of those districts required keeping in mind the

period when, according to the act of Parliament, they were to be no longer negotiated.

But in February, 1826, the ministers of the crown announced it to be their intention to shorten the period for issuing one-pound notes, from 1833 to 1829. Those country bankers who had not a sufficient quantity of stamps by them to keep up their issues until 1829, applied to the Stamp Office for a needful supply; but, to their astonishment, they were informed that, by an official letter addressed to the Commissioners of Stamps, they were forbidden to issue any stamps for one-pound notes to any country banker whatever. This step was not only in direct violation of the law, but was a breach of faith on the part of the government.

At this period, which was immediately after the great panic, country banks possessed of the most ample funds in Bank of England notes applied, through their London agents, to the Bank for gold in exchange for them, and were informed that the directors had not gold enough to take them up. At this time, be it remembered, Bank of England notes, though freely circulating throughout the country, *were not a legal tender*. (Bank-notes were first made a legal tender by 3 and 4 Will. IV. cap. 93.) The country bankers therefore exercised the greatest forbearance towards the Bank of England in taking their notes instead of gold, which they were entitled to demand, because the law required the Bank directors, in common with all other issuers of paper money, to pay all their notes in gold.

The general utility of provincial banks of issue is reduced to this simple proposition, — whether, from past experience, the country, in the enlarged state of its commerce, could be sufficiently provided with bills and discounts without their assistance. It is now generally admitted that government would have acted wisely had they only regulated the small-note circulation of England, instead of prohibiting it altogether.

The government broadly charged the English bankers with causing the panic; but it is now evident the bankers had only their share in bringing to a crisis that period of false prosperity. Almost all persons in business, merchants as well as bankers, overtraded at that time, and it is unjust to charge upon one class of the community exclusively what really belongs in part to every class, not excepting the government itself.

The consequences of sudden panics in the mercantile world cannot be measured; they baffle all ordinary calculations. At such periods, the means of a banker being diminished, he must of necessity contract the amount of his accommodation; for, those who lent him money having withdrawn their cash balances, the persons to whom he has been accustomed to lend it can no longer have it. (Huskisson on Depreciation.)

Hence the minds of such bankers must at all times be subject to more or less anxiety, and their proceedings in consequence be timid and fluctuating. Their personal alarms cause them in times of difficulty to abridge or withhold that accommodation which they had been in the habit of affording to their customers; and this not only ruins the credit

of the traders who were led to speculate upon the expectation that the assistance would be continued, but augments and prolongs the public distrust.

Many of the evils arising from the old system of country banking are fairly chargeable upon the government, who invariably refused to allow the adoption of a sounder system through the instrumentality of extended partnerships. Besides which, the government itself existed upon credit. Its expensive wars compelled it to issue millions of promissory notes called Exchequer bills, which, instead of paying at maturity, they funded; thus creating places and appointments for a legion of commissioners, comptrollers, inspectors, receivers, accountants, &c., with their assistants, deputies, clerks, &c.

There was this difference, however, between a government bill and a banker's note; the one had to perform his promise by paying the money, whilst the government for upwards of a century has gone on borrowing and increasing its debt, until the amount has almost reached that point when (like the peddler who day after day added another and another pound to his ass's load, and at last broke his back) the country may sink under it.

The following is a remarkable instance of the good effects of a judicious issue of paper money, the free circulation of which no hobgoblins like panics were permitted to check.

In or about the year 1821, the authorities of Guernsey determined to build a new meat market, at the cost of £4,000; but, as they had not got the money, and were averse to borrowing it at a high rate of interest, they determined to issue four thousand one-pound notes bearing no interest. The contractor, at dates agreed upon, received these notes in payment of his claim. With them he paid wages and what he owed for materials used in the construction of the building; and, as these notes were sanctioned by a vote of the states who constituted the Parliament of the island, they obtained free circulation.

When the market was completed it consisted of eighty shops, which shops were let at a rental of £5 per annum each, thus yielding an annual revenue of £400.

At the expiration of the first year, notice was given to all persons holding market notes numbered from one to four hundred, both inclusive, to bring them before the president of the states and the committee of the meat market. Then, with the £400 received from the butchers for the first year's rent, the first batch of notes was cancelled, the notes being burnt in the presence of the president and the committee.

Thus, in ten years, all the notes so issued were cancelled, and the authorities of the island were left in possession of the building and rental in perpetuity, without its having cost one shilling to any individual. Such is the power of credit, presenting as it does the most economical means of calling into action the resources and energies of a people by giving immediate and full employment to labor, the source of all wealth.

In the year 1818, the then Chancellor of the Exchequer proposed to Parliament that country bankers should make special deposits in the

Bank of England for their small-note circulation. This proposition encountered very considerable opposition, and was viewed in the light of a star-chamber proceeding; or, as the bankers expressed themselves, "it was a dangerous precedent, capable of being urged as a vindication of future measures to an indefinite extent, and calculated to overturn the whole system of individual responsibility and free commerce." The attempt was ultimately abandoned by the minister; but the impression which was abroad, "that government had seen good reason for calling for such special security," soon proved itself, in the diminution of the business of country bankers, their circulation, and deposits.

Should Parliament, at any future time, decide on requiring country bankers to give security for their issues, we apprehend it will be no easy task to fix of what description of property the security should consist. Many persons argue, that all bankers who issue notes should be required to deposit funded property, others landed property, &c. Both these are open to objections, and more particularly the first; for, supposing a banker who is possessed of £ 50,000 in the Three per Cent. Consols is desirous of giving the proposed security, and tenders the stock as such security, for what portion of the £ 50,000 would he be permitted to issue notes? If for less than the amount the stock would fetch on the day he makes the application, it would be manifest injustice to require of him a deposit more valuable than the consideration given for that deposit; and if for the full amount, then, in that case, the public might still be losers; for, the price of his stock being dependent upon so many contingent circumstances over which he has no control, it might, in the event of his insolvency, be, by some political convulsion, in a few years reduced to one half its original cost; for what has been may be again. In the latter case, there would be only ten shillings in the pound in the hands of government to pay the notes of the insolvent banker.

The security of land, though not subject to the same convulsions as the stocks, is, to some extent, objectionable; for investing money in landed property of any kind is considered an illegitimate mode of banking, and is never had recourse to by any one who knows his business; therefore it would be difficult to find many bankers possessed of landed property, in their own right, sufficient to cover their issues. Yet, with all these disadvantages, land is unquestionably the solid foundation of all security, and, in one sense, unchangeable, for it can never increase or diminish in quantity; yet those who boast of the extent of their land without taking into consideration the number of people to be employed in cultivating it, have the shadow without the substance, for *nil sine labore*.

The considerations alleged by the friends of the country bankers for the reissue of small notes may be condensed as follows:—

1. Notes of one and two pounds are currency for petty payments or purchases, not for speculation in buying or selling.
2. There was no speculation of consequence in corn or other agricultural produce during 1824 and 1825; they were almost the only articles exempt from the mania of the day.
3. Country bankers cannot, as the Governor of the Bank informed the Parliamentary Committee of 1832, maintain a larger issue of notes than the requirements of their

districts; they issue only on demand, and the extent of the demand depends on the prices current in their neighborhood at the time.

4. Excitement and speculation may be carried to a great extent in countries devoid of small notes, and even, in some measure, of bank paper. Witness the case of France in 1830. At that time credit was so extended, and bill transactions had been so multiplied, in France, that the reaction in trade consequent on the troubles in Paris and Brussels was most serious, and of very long duration, hardly inferior to that in England in 1826.

These, and numerous other considerations, were not of sufficient force to induce the government to alter its determination, and the result has proved that a much less number of country bankers failed when the small-note circulation was stopped than was expected.

During the period when one-pound notes were in circulation throughout the country, there was a regularly organized gang of London thieves, who directed their especial attention to the robbery of bankers' parcels. They had their secret agents in all directions, especially lurking about banking-houses, watching the proceedings of the clerks and porters. Their exploits were sometimes of a very singular character; a few of which we will now proceed to relate.

When the amount of country notes paid by the London agent had accumulated to an extent so as to require their being returned into the country for reissuing, it was customary to send them by some friend of the banker leaving London, or, what was no uncommon thing, by the banker himself, who would come to town expressly for that purpose. On one of these occasions, a country banker had obtained from his London agent a large parcel of his notes, amounting to several thousand pounds, and, having taken two inside places in the mail, as a precautionary measure, and as a further security deposited his parcel in the seat, to which there was a lock and key, and having locked the same, he naturally considered all was safe. Two very agreeable and gentlemanly men got into the mail, and were fellow-travellers with the banker. On the coach arriving at the town where the passengers usually supped, the two gentlemen got out and invited the banker to do the same, which, however, he declined. They had not been in the house more than a few minutes, when one of them returned to the coach, and in rather a hurried, yet pressing manner, said, "You had better come to supper, Sir; there is a fine roast fowl just from the spit, and if you do not come directly, it will be all gone. It is a cold night," he added, "and a supper like the one now on the table will be quite refreshing." Our friend the banker could not resist the touching appeal to the roast fowl, so he accompanied his polite fellow-traveller into the supper-room, thinking, no doubt, that, as he had got the key of the seat, all was right. They all three partook of the supper; and on resuming their seats only one of the gentlemen returned to the coach. On the banker noticing this, and observing, "I thought he said he was going all the way with you." "Yes; so he was, but has altered his mind," was the only reply the banker obtained. At the next stage this gentleman also left, wishing the banker a pleasant ride.

On the banker being left alone in the coach, he began to make reflections as to his late companions; but, from their very gentlemanly de-

meanor, no suspicion ever crossed his mind that they were a part of the London gang who had been ordered, at a moment's notice, to go by the mail to assist in an indirect manner to rob him; and not until he had arrived at his journey's end did he discover, to his utter amazement, that the lid of the seat had been forced, and the parcel of notes abstracted.

It appears that the movements of the banker, while in London, were strictly watched by one of the gang; and, on ascertaining at the hotel when and how the banker proposed to leave town, two individuals having the manners and address of gentlemen were selected to accompany him to lull suspicion, whilst others of the gang were, during supper, engaged in abstracting the parcel. The result was a compromise between the thieves and the banker; and the manner in which these affairs usually "came off" would, in these days of improved police, be hardly credited. The parties robbed usually received a letter from a solicitor, — for the gang had a professional adviser specially retained by them, — informing them that a client of his had instructed him to write, and in the case before us to say, that, if Mr. ——— was willing to give one thousand pounds, the parcel of notes stolen from him would be returned intact. If the money terms were agreed on, then the *modus operandi* was arranged, and this was effected somewhat after the following manner. The banker was desired to be at a certain house at a certain time alone, and to ask no questions; and should any one accompany him, the door would not be opened. On his entering he was ushered into a room with a partition in the middle, having two apertures; in the one he was desired by a voice from behind to place his one thousand pounds, — but usually guineas, to prevent any trace, — and the parcel would come out at the other; which pantomime having both in the spirit and letter of instructions been performed, the banker would retire with his parcel of notes, the amount of which was invariably found correct, and the thieves would betake themselves whither they listed to share the spoil.

On another occasion, the thieves succeeded in abstracting a banker's parcel in the following ingenious manner. A country banker, who had the charge of a large amount of notes made up in a brown paper parcel, was one evening about to step into a hackney-coach (cabs were not then in fashion). The porter at the inn had placed his luggage in the coach, together with the brown paper parcel containing his bank-notes, and just as he was stepping into the coach he was accosted by a well-dressed and gentlemanly-looking man as follows: "I beg your pardon, Sir, but is not your name Mr. ———, of ———?" The banker replied in the affirmative. "Allow me, Sir," said the stranger, in the politest manner possible, "to ask after my old friend, Mr. Walker, of your town, who has been for some time laid up." The banker, not suspecting the least trick, replied, "I am glad to inform you, Sir, that your friend, Mr. Walker, whom I have the pleasure of knowing intimately, is getting on very well, and the doctor has pronounced him to be out of danger; who shall I say inquired after him?" The stranger gave him his card, and, touching his hat, at the same time thanking him for his information, wished him a pleasant journey, and walked leisurely away. Whilst this conversation was going on, the coachman, who stood at first with the

coach-door open, shut it, and on the stranger retiring opened it to admit the banker; but to his utter astonishment the parcel of notes, which but a minute before he had seen placed in the coach, was gone. It appears that, while the banker was held in conversation by the well-dressed man on one side of the coach, the other door was quietly opened by his companion, who had sufficient time to seize the parcel and be beyond the reach of pursuit. The well-dressed stranger was easily overtaken, and brought back, and taken before a magistrate; but, although it was in evidence that he was one of the swell-mob, no charge could be substantiated against him. This robbery was also compromised in the usual manner. The following is a description of one of these gentlemen, as furnished by one of the journals of the day:—

"John —— is a man possessing considerable talent and ingenuity, which have enabled him for many years to commit offences without detection; and, indeed, so discreetly has he uniformly conducted himself, that those most intimate with him never suspected from whence he derived his pecuniary resources. These were only known to his employers, who were too deeply interested in keeping the secret ever to disclose it to the world. In addition to the address and appearance of a gentleman, —— is acquainted with the genealogy of most families of distinction, their residences, estates, &c.; and, being capable of conversing with ease and elegance on most topics, can readily impose himself on any company as a man of consequence."

In Lancashire it has been almost a universal custom for many years past to use Bank of England notes instead of country notes, so that there are few banks of issue in that county. A banker at Liverpool, during the period when the one and two pound notes were in circulation, was in the habit of collecting all such notes as were too dirty and torn to circulate; but he would only give 19s. 6d. for 20s. notes, and when much defaced even less than that. He usually collected about £ 1,000 per week, and sent up to London every fortnight a box containing about £ 2,000; and in order to save the postage, which in those days was a considerable item in a banker's expenditure, and at the same time to deceive the fraternity of London thieves, he was in the habit of directing the box to a chemist in Plough Court, Lombard Street; and, as a further deception, in addition to the address, the words "Spanish juice" were written on the lid of the box in legible characters.

He always advised his London correspondent whenever he sent such a box; and the chemist to whom it was addressed was aware of its contents, and for whom it was intended, and therefore without hesitation handed it over to the banker's clerk who invariably called for it.

One Monday morning, however, the box certainly arrived, but on opening it, instead of the usual quantity of bank-notes being found inclosed, it contained nothing but shavings. On inquiry, it turned out that the box arrived safe at the inn in London on the Sunday night, and was as usual placed together with other parcels by the same conveyance in a room which was ostensibly guarded by a watchman. It was supposed that during the temporary absence of this vigilant functionary some one got into the room and abstracted the contents of the box, and substituted the shavings found therein.

The banker on this occasion never recovered any portion of the lost notes, and when his loss became known the usual consequences fol-

lowed; namely, a run upon him, against which he struggled for some time, but at last suspended his payments. A few years afterwards the mode adopted by the thieves on this occasion was discovered by a man who, having been sentenced to transportation for housebreaking, confessed the manner in which the robbery was effected. It turned out, as was suspected, that one of the myrmidons of the gang, whose business it was to perambulate Lombard Street daily, reported to his principals that he had observed on several occasions, but always on a Monday morning, that a clerk from a certain banking-house went over to the chemist and returned with a box. To trace this box was no difficult matter; hence the abstraction of its contents with, as he asserted, the connivance of the watchman; but this discovery was but a poor satisfaction for the banker, whose ruin, as we have before stated, was the consequence.

In the latter end of the year 1825, and during the panic, a clerk was despatched from a house in Lombard Street with £10,000 in one-pound Bank of England notes for the relief of a country banker in the county of Norfolk.

The clerk travelled by the mail-coach, and took the notes made up into a parcel in a blue bag. On leaving London there was no other passenger in the coach, and he began to congratulate himself on his good fortune in being alone with so large \* and valuable a parcel.

His joy on this account was, however, of short duration, for on the coach arriving at Stratford two men, muffled up in great coats, got into the coach. On their entering, the clerk took the parcel, which he had previously deposited on the seat, and placed it on his lap. This movement was observed by the men, who soon began to whisper to each other. The clerk did not like either their appearance or their manner; but in order to show that he had no fear of them he pretended to be merry, by humming several tunes.

At last one of the men, addressing the clerk, said, "You are very fond of singing, I find; but why don't you put your parcel on the seat? there is room enough. It must surely be very valuable, or you would not hug it in the way you do."

This advice was, however, declined by the clerk, who said he experienced no inconvenience; but, although he felt no inconvenience from the weight of the parcel, the horrible thought came across his mind that the two men were thieves, and that they intended to strangle him, and then seize on his parcel; and he was confirmed in his opinion by the tenor of the remarks interchanged between them, the whole of which were directed to him and his parcel; and, although carried on in an undertone, his ear caught the following words of one of them, in reply to an observation of the other: "Not yet; wait till we get out of Brain-tree."

On arriving at that place, the clerk felt that he could proceed no further in such company; he therefore, on their stopping to change horses,

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\* One million of one-pound notes would, if placed one upon another, reach about 100 feet higher than the Monument, which is 220 feet in height.



jumped out of the coach, and took the guard aside, requesting he would take him to the banker in the town. This the guard said he could not do; but on perceiving the excitement and agitation of the clerk, and understanding that the parcel he carried was of considerable value, he consented to accompany him to the banker, who he found had retired to bed; but he soon made his appearance by opening the door, when the clerk flung the parcel into his arms, exclaiming, "Thank God, it is safe!" and immediately fell at his feet in a fainting fit.

This singular scene took the banker quite by surprise. He had no means of unravelling it; the guard of the mail had left the town, and the only party who could throw any light upon it lay at his feet in a swoon. However, he soon procured aid, and with some restoratives the dormant faculties of the clerk were reanimated, when he explained to the banker the cause of his sudden and unexpected appearance.

The banker locked up the parcel, and, having made up a bed for the clerk, he was able, by nine o'clock in the morning, to proceed by post-chaise to his destination, accompanied by the banker as an escort.

On subsequent inquiries being made of the guard of the mail, it appeared that the two men, whose appearance had also excited his suspicions, were entirely unknown in that part of the country; and, although their places were booked in London by another party for the whole distance, they both left the coach about three miles from Braintree, not stopping at any house, or even a village. On alighting they swore dreadfully at the guard, and walked away; it was then about one o'clock in the morning.

The following attempt to ruin a country banker, by compelling him to stop payment, was actually put into practice some years ago. It is marked by such diabolical wickedness, that, although the principal actor has been removed by death, it should be recorded, if only to show to what a pitch the spirit of revenge will impel a human being.

On the establishment of the ——— Fire Insurance Company, its founder was appointed manager; and after the concern had been a few years in existence the conduct of this person was such as to call forth some severe remarks from the directors, and especially the chairman, who was a banker in the town of ———; in short, to such an extent had his misconduct been carried, that it became absolutely necessary, in order to protect the interests of the body of shareholders, that he should be requested to resign, or he would be dismissed. The duty of conveying the decision of the board devolved upon the chairman, who, in conclusion, told him that on a given day he would call at the office and receive from Mr. B——, the manager, the books, securities, and moneys belonging to the company then in his possession.

Accordingly, on the day appointed, the chairman, with two directors, called at the office, where they found Mr. B—— and his son, a young man, with a brace of pistols, sitting on a box which contained the securities, &c., belonging to the company. The young man was ordered by the father to shoot the first person that molested or attempted to move him from his seat. This hostile reception, so unlooked for and unusual, astonished the chairman and directors, who accordingly retired to decide

upon what steps it would, under these extraordinary circumstances, be desirable to take. On their leaving the premises, the manager called in twelve men, and told them he wanted them to walk in procession to Messrs. ———, the bankers, and he would march at their head.

It is necessary here to state, that with the funds belonging to the company in the hands of the manager he had, since the day he received notice of the termination of his appointment, been engaged in exchanging such money for the banker's notes, by which means he had accumulated several thousand pounds. The notes so collected he had attached to large sheets of paper, and then pasted them on twelve boards like placards; one he carried himself, with these words in large characters:— "Going to Messrs. ———'s bank to demand payment." Each man carried one, and they marched in single file to the bank. On entering the house he demanded instant payment in gold; the clerks were taken by surprise; they had not so much gold in the bank; but they said they could in a very little time collect from the neighboring banks the requisite amount; but no, this would not suit the manager; it was just the answer he expected. He replied, "These notes are payable to bearer on demand; I now demand instant payment, or I shall proclaim your bank as having failed."

The clerks entreated a few hours' indulgence, but he was inexorable; he would not give a minute, and turning to his men he said, "Now, my boys, shoulder your placards"; at the same time taking from his pocket a printed paper, with which he had come provided, he pasted it over the one he had carried himself, and again headed the procession. This second placard announced that "Messrs. ——— had suspended their payments," and in this manner he marched through the principal streets, to the utter amazement of the inhabitants, especially those who had transactions with the bank, or who held any of its notes. The result was as might have been anticipated,—the bank failed. The object of the manager of the assurance company had been gained; he surrendered his appointment and left the town.

The end of this man, although terrible, was not so bad as he deserved. He died, we have been told, in the Fleet prison, placed there by the very son who had, perhaps unwillingly, aided him in his former wicked career.

To give some idea of the great importance which was at one period attached to the term country banker, and the high estimation in which every one was held to whom that term was applied, it is only necessary to relate the following circumstance.

Some years ago, a young woman of shabby-genteel appearance was taken before a metropolitan magistrate for vagrancy. The constable reported that he detected her in the act of begging. The magistrate, in the usual authoritative tone of addressing beggars, said, "Now, young woman, you cannot be allowed to go about begging. I think you are an impostor. What is your name? Where did you come from? What is your father?"

These three interrogatories were all put at once, but of course required separate replies. The young woman, not having been used to appear before a magistrate, began to cry. She was told that sort of whimper-

ing would not do there, but the questions must be answered. The girl hesitated for some time, but, on being threatened with the tread-mill, she replied, "My name is Smith; I come from Lincolnshire; and my father is a banker."

On hearing this, the tone and tenor of the worthy magistrate's address underwent a change. "What!" he said, "my good young woman, your father a country banker, and allow his daughter to be begging in the streets of London! I consider he disgraces himself by such conduct. But surely, my good young creature, you must have done something to offend your father." "No, Sir," was the ready reply; "my father said he could not afford to keep me, so I was obliged to leave home."

"Not afford to keep you, and yet a country banker! How can that be? I must inquire into this; I shall write to the clergyman of your town, whom I happen to know, and ascertain the truth of your story, and if possible prevail on your father to take you home again."

In the mean time, the kind and considerate magistrate ordered that the young woman should be taken care of, and every requisite afforded her until he received a reply to his letter.

A few posts brought the clergyman's answer, who stated that the young woman was not a daughter of the highly respectable banker of that name; but was the daughter of a mud-banker in the fens, and that her father had been compelled through her misconduct to refuse to support her. The reverend gentleman added, that it was possible the mistake into which the worthy magistrate had fallen arose from the circumstance, that in his part of the country all the laborers engaged in draining out the water are called bankers; hence the term "country banker."

This explanation, though it satisfied the magistrate of the error into which he had fallen, tended to renew his original feelings against this unfortunate vagrant, who was dismissed with the admonition, that if again caught begging she should be sent to the tread-mill.

A very grave charge is frequently made against country bankers for not regulating their issues in strict accordance with the state of the exchanges; but a country banker, being asked whether in the issue of his notes he paid attention to the rate of exchange, replied, "that the exchanges had no more to do with the regulating their issues than the last year's snow." What they attend to is, the weekly returns of the amount of notes issued by the Bank of England.

It is a custom among country bankers who reside in the same district to exchange each other's notes once or twice a week, something after the same plan as that adopted at the London clearing-house. This is a great convenience to all parties, and has the same effect in lessening the amount of bank-notes or gold in circulation: it also operates as a check to a redundancy of issues by any particular bank. The notes of such bankers as reside beyond the limited distance are at once sent up to London, for the purpose of presentation for payment to the bankers to whom they are addressed.

The mode adopted by the country bankers of making payments in London for their several customers, by which they avoid the stamp duty,

is to advise their correspondents that certain persons will call on them for certain sums of money, which sums are paid on demand by the London bankers to such persons on their signing a check for the amount. Formerly, these payments were made by remitting bills of exchange payable to the parties who were to receive the money, and drawn at sight. Several attempts have been made to bring these payments within the meaning of the Stamp Act; but they have all failed. That the revenue suffers by the plan now adopted, there can be no doubt; but there is no remedy for it, because the law permits parties residing in London to draw on London bankers at sight, without subjecting such payments to the stamp duty.

If we reverse the case, and suppose a party in London is desirous of making a payment to a person residing in the country, he takes the money to the London agent of the banker in the town in which the person resides, and pays it into such country banker's account on behalf of his correspondent. Should he require a receipt from the London house, as evidence of having paid the money, an act of precaution by no means unusual, such receipt, if it expresses for what object the money is received, as thus, "Received of A. B. for C. D., in account with E. F. and Co.," must be upon a stamp; but the banker may give a receipt without a stamp, on its simply expressing that the money is received on account of E. F. and Co.

The 7 and 8 Vic. c. 32, was, without doubt, one of the most singular, and, in the opinion of many, the most ill-judged legislative regulations in reference to country bank-notes that has ever been passed. It is called, "An Act to regulate the issue of bank-notes, and for giving to the Governor and Company of the Bank of England certain privileges for a limited period." After prescribing the manner in which the issues of the Bank of England are in future to be conducted, the act proceeds as follows:—

"That, from and after the passing of this Act, no person other than a banker, who, on the 6th day of May, 1844, was lawfully issuing his own bank-notes, shall make or issue bank-notes in any part of the United Kingdom."

Section 12 prohibits bankers, who may cease to issue notes, thereafter to issue any such notes.

Section 13 provides that existing banks of issue may continue, under certain limitations, to issue notes.

Section 14. Where two or more banks unite in one, such united bank may issue notes subject to the regulations of this Act.

Section 16 enacts that, in case banks become united, the Commissioners of Stamps and Taxes are to certify the amount of bank-notes which such bank is authorized to issue.

Section 17 enacts that any banker issuing notes beyond the amount authorized by the Commissioners shall forfeit a sum equal to the amount in excess.

Section 18 enacts that every banker shall render to the Commissioners an account of the amount of the bank-notes in circulation on such day as may be fixed by the Commissioners of Stamps and Taxes.

Section 19. The mode of ascertaining the average amount of bank-notes of each banker in circulation during the first four weeks after 10th October, 1844.

Section 20 empowers the Commissioners of Stamps and Taxes to cause the books of bankers, containing accounts of their bank-notes in circulation, to be inspected; and parties refusing to allow such inspection to forfeit the sum of £100 for every refusal.

Section 21 provides that all bankers in England and Wales shall, on the 1st of

January in each year, make a return to the Commissioners of the residence and occupation of every partner, whether joint-stock or private copartnership.

Section 22 enacts that every banker issuing notes shall take out a separate license for every place at which he issues notes or bills.

It has always appeared to us that promissory notes payable to bearer on demand, issued by parties of undoubted character, are to commerce what good and wholesome blood is to the body; and if any medical practitioner were to attempt by any process of his art to limit the present and future quantity of circulation in the natural body, as the great currency doctors have limited it in the political body, the consequences that would very soon follow would be, that, whilst undergoing the experiment, the patient would die.

Although country bankers may not meet with the same fate, yet if bank-notes such as we have described are of benefit to trade and traders, — and who can say they are not? — and if trade is as expansive as the ingenuity and enterprise of the people can make it, why limit the means of aiding and increasing that expansion?

We can well understand the placing a wholesome restraint upon the issuers of bank-notes, and calling upon them to prove their ability to pay them; but why an aggregate amount of notes circulating through a country during *four weeks after the 10th of October, 1843*, should be the maximum amount to be circulated in all time to come, we are really at a loss to imagine. We are not aware that there was any remarkable event happened in reference to bank-notes during that time, or that the issuers of the notes exercised any magic influence over the commercial community within that period.

If we may judge from the proceedings of the government in the month of October, 1847, when they, by a special letter, authorized the Bank of England to extend their issues beyond the amount fixed by law, the principle upon which the limitation of bank-notes had been founded was proved to have been unsound. Time, however, that great trier of principles, will alone be able effectually to solve the question whether local circulation ought not to be regulated and chiefly influenced by local circumstances.

The total amount of the notes allowed to be issued in accordance with the recent acts, fixing the average for each bank, is as follows:—

1 The Bank of England, . . . . .	£ 14,000,000
196 English Private Banks, . . . . .	4,999,444
67 English Joint-Stock Banks, . . . . .	3,418,277
264 English Banks. — Total, . . . . .	22,417,721
18 Banks in Scotland, . . . . .	3,087,209
8 Banks in Ireland, . . . . .	6,354,494
Total issues for the United Kingdom, . . . . .	£ 31,859,424

By the above it will be perceived that, whilst the average amount of the fixed issues for the two hundred and sixty-four banks of issue in England gives £ 32,000 for each bank, that of Ireland is £ 794,300 for each of its eight banks; and that, although Scotland has more than twice the number of banks in Ireland, the amount of the circulation of Ireland is more than twice the amount of that of Scotland.

We cannot take leave of this part of our subject without some special notice of savings banks, because they have in many instances been known to interfere with the province of the regular banker; and, as a consequence, have greatly contributed to decrease his profits; and, however much the public may have suffered by the misconduct of many private bankers, the remedy interposed has, in many recent instances, been attended with lamentable results.

It is impossible to refrain from expressing our astonishment, that, whilst the government have for the last twenty years been constantly legislating on the subject of banking, with the view of protecting the upper and middle classes of society, so little regard should have been paid to the security of that system of banking adapted to the poorer classes, encouraged and fostered as that system was by the government, and more particularly when it is considered that the savings of the laboring classes are appropriated by the state in the purchase of government stock; and that the commissioners of the appropriation of the money may, according to the existing law, change that stock whenever they think proper; and also cancel any Exchequer bills purchased or taken up by them on account of the trustees of the banks, and convert the amount of them into stock; thereby changing the nature and adding to the amount of the national debt.

Although it must be admitted that savings banks have a tendency to encourage habits of forethought among the industrious and frugal of the productive classes, yet this end has not been attained without a great sacrifice on the part of the public.

We have no means of ascertaining the amount of the variations in the price of the funds bought and sold by the commissioners; but it must be considerable when carried over a series of years. In order, however, as much as possible to avoid a loss, the commissioners possess the power of borrowing money when any extensive demand is made on them, in place of selling stock, should the price of the funds justify such a proceeding.

*Value of the Assets in the hands of the Commissioners, to meet the claims of the Trustees, on November 20th, 1848,—the 3 per Cents and the 3½ per Cents estimated at 87, which was about the average price of those Stocks on that day; and the Exchequer Bills estimated at par, —showing the deficiency in the value of those assets:—*

SAVINGS BANKS.			
Amounts.			Estimated Value.
£9,508,263 3 per Cents,	Great Britain, }		
16,734,121 3½ " "	" " }	£ 27,273,972, at 87, .	£ 23,728,355
1,031,588 3½ " "	Ireland, }		
28,000 Exchequer Bills,	Great Britain, at par, . . . . .		28,000
FRIENDLY SOCIETIES.			
518,500 3 per Cents,	Great Britain, }		
1,346,800 3½ " "	" " }	1,865,300, at 87, .	1,622,811
£ 29,167,272			£ 25,379,166
	Uninvested cash balance, . . . . .		232,832
	Total estimated value on 20th November, 1848, .		£ 25,611,998
VOL. I.	74	171	

## Claims of the Trustees on November 20th, 1848.

		£	s.	d.
SAVINGS BANKS.				
Great Britain, . . . . .		26,881,759	3	4
Ireland, . . . . .		1,351,273	11	0
FRIENDLY SOCIETIES.				
Great Britain, . . . . .		1,928,918	13	10
Ireland, . . . . .		74,716	17	11
Total amount of the claims of the Trustees, . . . . .		30,236,668	6	1
Total estimated value of the assets of the Commissioners, . . . . .		25,611,998	0	0
Total estimated deficiency on 20th November, 1848, . . . . .		4,624,670	6	1

Thus showing that *the estimated value of the assets* in the hands of the Commissioners, on November 20th, 1848, to meet the claims of the trustees, amounting to £ 30,236,668, was £ 25,611,998, *being a deficiency of £ 4,624,670.*

In the month of May, 1844, a return was made to the House of Commons of the difference between the amounts of interest paid to the trustees of the several savings banks, and that which the commissioners received for dividends on the stocks in which the several investments were made, amounting to the enormous sum of £ 2,171,192 12s. 6d. ; \* and as this must have been a total loss, without any chance of its recovery, the only course was to add it to the national debt.

It appears by the Savings Bank Act, that any number of persons may form themselves into a bank for savings. Previous, however, to opening the bank, certain rules and regulations for the management of the institution must have received the sanction of a barrister at law, appointed by the Commissioners for the Reduction of the National Debt, whose certificate will entitle the trustees and managers of the bank to receive the contributions of the people in the neighborhood ; the only charge made for such certificate being *one guinea.*

The rules and regulations so certified, copies of which must be lodged with the clerk of the peace of the county in which the proposed bank is situated, become "binding on the several members and officers of the institution, and the several depositors therein, all of whom shall be deemed and taken to have full notice thereof."

No trustee or manager of a savings bank is personally liable, except for his own acts and deeds, nor for any thing done by him by virtue of his office, except in cases where he shall be guilty of wilful neglect or default. The trustees are required to pay over the moneys left with

\* By a return made to the House of Commons on the 10th of May, 1844, it appears that there was in the hands of the Commissioners for the Reduction of the National Debt, belonging to the trustees of savings banks, as a separate surplus fund not bearing interest, the sum of £ 321,468 13s. 2d.

And by another return, dated 7th June, 1844, it appears that the interest and charges on the sums due to the trustees of savings banks, and paid to them from the 6th of August, 1817, to 20th November, 1843, amounted to . . . . . £ 15,113,849 19s. 8d. Whilst the amount received by the Commissioners for dividends on the stock in which the several investments were made amounted to . . . . . 12,942,657 7 2  
Paid by the public to the depositors in savings banks more than received, . . . . . 2,171,192 12 6

them in deposit to the Bank of England, to the credit of the commissioners; and such moneys are not to be paid or laid out by the trustees in any other security whatever, except such sums as shall from time to time remain in the hands of the treasurer to answer the current demands of the bank.

The act holds out the following inducements to the public to make deposits in savings banks. It is stipulated, that any person under the age of twenty-one years may deposit money, and the receipt of such minor shall be a sufficient discharge, notwithstanding his or her incapacity or disability in law to perform any legal act. Deposits may also be made by married women, and repaid to them. All bonds, powers of attorney, receipts, &c., required, are exempt from stamp duty; and further, the deposits are returned to the depositors without any diminution in the amount, whatever may be the difference in the price of the funds at the period of investment and the withdrawal of the money. It thus appears, that, whilst the government offers many inducements to the public to become depositors in savings banks, it leaves them entirely at the mercy of the trustees, who may or may not be men of wealth and respectability, able and willing to make good any deficiency in the funds of the bank.

Until recently it was a common error to suppose that the depositors in savings banks were, like the fund-holders, public creditors. In no instance is the faith of the government pledged to the depositors for the return of their money. All the contracts are made between the government commissioners and the trustees. No mention is even made of any third parties; and when a savings bank fails, the depositors have their remedy only against the individuals who may have betrayed the confidence reposed in them, and misapplied or mismanaged the funds of the bank; and, should they fail in obtaining their money from such parties, they have no other remedy,—not even against the trustees, who, unless wilful neglect or default can be substantiated against them, are exempt from all legal responsibility.

We must not omit mentioning another matter which enters materially into this part of our subject, namely, absenteeism. A rich absentee is blamed because he spends his money abroad instead of diffusing it on the spot, among those through whose means his wealth is created. Now, the difference between a rich absentee and one of the industrious classes—a depositor in a savings bank—is only a question of degree. The cases are perfectly analogous. The accumulations of the depositor are spent at a distance; and, although he remains on the spot, his money is, as we have before stated, expended in another and far-distant place. We have only to multiply such deposits in proportion to the extent of the population and trade of any particular town, and we shall be able, pretty accurately, to discover how much is lost to any particular district by this mode of disposing of the savings of the productive classes.

In Scotland, where there are no government savings banks, the accumulations of the frugal are paid into the joint-stock banks, and by them diffused in facilitating commercial operations in the neighborhood in which the money is collected. Amongst these there have been no fail-



ures, whilst, on the contrary, among the English and Irish savings banks numerous failures have lately taken place, many of them accompanied with serious and lamentable consequences to the unfortunate depositors. Surely it is high time that the security of the depositors in savings banks, whose united deposits amount to the enormous sum of thirty millions sterling, should be placed on a more firm and solid foundation.

**THE PUBLIC DEBT OF MARYLAND.** — The history of the public indebtedness of Maryland, as recapitulated in the Message, is a history full as well of instruction as of warning; and while it contains much that is not pleasant to the recollection, it also exhibits a fortitude, a courageous perseverance, an adherence to the principles of justice and honor, and, finally, a recuperative energy, that may well claim to be remembered with pride and pleasure. The gloomy period of 1843-44 witnessed the Commonwealth's depression at the lowest point. The public ear began to grow almost familiar with propositions of financial delinquency. Distrust, despondency, and despair found utterance in official language, and there were not wanting prominent men in our political world ready to place themselves at the head of a repudiating policy under the palliating confession of a virtual insolvency.

The election of Governor Pratt, in 1844, came happily in time, and just in time, to arrest the downward course of things, and to retrieve the sinking credit of the State. . . . . From the outset of Governor Pratt's administration to the present time, the financial condition of the State has advanced from one degree of prosperity to another and higher. The arrearages of interest, which had accumulated to a frightful amount and threatened to overwhelm and submerge all sources of liquidation, having been funded and brought into a manageable form, are now all paid off. So Governor Lowe tells us, and a gratifying piece of information it is. Along with these successive payments of the funded arrears, the regular payments of interest on the whole debt of the State have gone on promptly and without interruption.

If to the balance in the Treasury at the close of the last fiscal year, ending on the first day of December last, there be added the amount paid during the year for the redemption of the funded arrears, and the amount applied to the augmentation of the sinking fund, it will be shown that the Treasury had in possession an aggregate surplus of \$420,954.75 over and above all demands upon it for the payment of the regular annual interest on the public debt, and for the ordinary expenses of the State government.

The Governor is of the opinion, that some reduction of taxes may now be safely made. The bonds constituting the larger portion of the State debt do not mature until 1890, and the steady operation of the Sinking Fund will provide the means of full liquidation before that time. . . . . The Governor therefore recommends that the act of December session, 1841, imposing a direct tax of five cents in the hundred dollars, in addition to a previous levy of twenty cents in the hundred dollars, be repealed; also, that the stamp tax be repealed.

The continuance of the stamp tax was never intended to be permanent. It was resorted to in an emergency, and if that be passed there remains no sufficient reason for a retention of the tax. As a measure of revenue it was regarded from the first as something out of the ordinary range of taxation, — as a thing, indeed, to be justified only by the necessity of the case. The revenue derived from this tax amounted last year to \$53,397.79, of which upwards of forty thousand dollars came from the city of Baltimore. — *Message of Governor Lowe, January, 1852.*

## SAVINGS BANKS IN GREAT BRITAIN.

SKETCH OF THE ORIGIN OF SAVINGS BANKS IN GREAT BRITAIN, AND OF  
THE EXISTING LAWS FOR THEIR GOVERNMENT.

**SAVINGS BANKS** are banks established to encourage habits of prudence in the poorer classes, who were previously without any places where they could safely and profitably deposit their savings.

The origin of savings banks has been attributed to the Rev. Joseph Smith, of Wendover, who, in the year 1799, circulated proposals, in conjunction with two of his parishioners, in which they offered to receive from any inhabitants of the parish any sum from twopence upwards every Sunday evening during the summer months, to keep an exact account of the money deposited, and to repay at Christmas to each individual the amount of his deposit, with the addition of one third to the sum. The depositors were at liberty to demand and receive back the amount of their savings, without this addition of one third, at any time before Christmas, if they stood in need of their money.

The next institution of this kind that was established, of which we have any account, was founded at Tottenham, in Middlesex, by Mrs. Priscilla Wakefield. This, which was called the Charitable Bank, bore a nearer resemblance to the savings banks of the present day than the Wendover plan. The Tottenham bank was opened in 1804. At first the accounts were kept by Mrs. Wakefield, who was assisted by six gentlemen who undertook each to receive an equal part of the sums deposited, and to allow five per cent. interest on the same to such depositors of twenty shillings and upwards as should leave their money for at least a year in their hands. In proportion as the amount of the deposits increased, additional trustees were chosen, so as to diminish the loss, which might otherwise have been considerable, owing to the high rate of interest that was allowed. In 1808, a society was formed at Bath, managed by eight individuals, four of whom were ladies, who received the savings of domestic servants, and allowed interest upon the same at the rate of four per cent.

The Parish Bank Friendly Society of Ruthwell was formed in 1810, by Mr. Henry Duncan, who published an account of his institution with the hope of promoting similar establishments elsewhere. This was the first savings bank regularly organized, which was brought before the public, and it is owing to this successful undertaking that, previous to the year 1817, there were seventy savings banks established in England, four in Wales, and four in Ireland.

In the year 1817 legislative provisions were made for the management of these institutions. Acts were passed (57 Geo. III., c. 105 and 130) for encouraging the establishment of banks for savings in Ireland and England respectively. Under these acts, the trustees and managers, who were prohibited from receiving any personal profit or advantage from the institutions, were required to enroll the rules of their institutions at the sessions. A fund was established in the office for the reduction of the national debt in London, entitled, "The Fund for the Banks for

Savings," and to this fund the trustees were bound to transmit the amount of all deposits that might be made with them when the sum amounted to £ 50 or more. For the amount so invested the trustees received a debenture, carrying interest at the rate of three pence per centum per diem, at £ 4 11s. 3d. per centum per annum, payable half-yearly. The rate of interest then usually allowed to depositors was four per cent. In Ireland the depositors were restricted to the investment of £ 50 in each year, and in England the same restriction was imposed, with a relaxation in favor of the first year of a person's depositing, when £ 100 might be received. No further restriction was at this time thought necessary as to the amount invested, neither was the depositor prevented from investing simultaneously in as many different savings banks as he might think proper. This circumstance was found liable to abuse, and an act was passed in 1824, which restricted the deposits to £ 50 in the first year of the account being opened, and £ 30 in each subsequent year, and when the whole should amount to £ 200, exclusive of interest, no further interest was to be allowed. Subscribers to one savings bank were likewise not allowed to make deposits in any other, but the whole money deposited might be drawn from one savings bank in order to be placed in another.

In 1828 a further act was passed, entitled, "An Act to consolidate and amend the Laws relating to Savings Banks," and it is under the provisions of this act (9 Geo. IV., c. 92), and of 7 and 8 Vict., c. 83, that all savings banks are at present conducted. It is provided by the 7 and 8 Vict., c. 83, sec. 19, that two written or printed copies of all rules or alterations of rules of savings banks, signed by two trustees, shall be submitted to the barrister appointed under 9 Geo. IV., c. 92, for his certificate, and the said barrister must return one of such copies when certified to the trustees and transmit the other to the commissioners for the reduction of the national debt. This provision stands in place of the provision in 9 Geo. IV., c. 92, which required that a transcript of the rules of a savings bank or government annuity society should be deposited with or filed by the clerk of the peace, and a certificate thereof returned to the institution, and that such transcript should be laid before the justices at sessions.

The money deposited in savings banks must be invested in the Bank of England or of Ireland, in the names of the commissioners for the reduction of the national debt. The receipts given to the trustees of savings banks for money thus invested bear interest at the rate of £ 3 5s. per cent., and the interest paid to depositors must not exceed £ 3 0s. 10d. per cent. per annum, the difference being retained by the trustees to defray the expenses of the bank. The trustees are not allowed to receive deposits from any individuals whose previous deposits have amounted to £ 150, and when the balance due to any one depositor amounts with interest to £ 200, no further interest is to be allowed; and not more than £ 30 can be deposited by one person in any one year. Trustees or treasurers of any charitable provident institution, or charitable donation or bequest for the maintenance, education, or benefit of the poor, may invest sums not exceeding £ 100 per annum, and not exceeding £ 300, principal and interest included. Friendly societies, whose rules

have been certified pursuant to acts of Parliament relating thereto, may deposit the whole or any part of their fund.

The increase of savings banks has been great beyond all expectation. On the 20th of November, 1833, there were three hundred and eighty-five savings banks in England, holding balances belonging to 414,014 depositors, which amounted to £ 13,973,243, being on an average £ 34 for each depositor. There were at the same time in Wales twenty-three savings banks, having balances amounting to £ 361,150 belonging to 11,269 depositors, being an average of £ 32 for each depositor; while in Ireland there were seventy-six savings banks, with funds amounting to £ 1,380,718, deposited by 49,872 persons, the average amount of whose deposits was £ 28. The total for England, Wales, and Ireland was consequently four hundred and eighty-four savings banks, with funds amounting to £ 15,715,111; the number of accounts open was 474,155, and the average amount of deposits was consequently £ 33. On the 20th of November, 1833, there were 244,575 depositors of sums under £ 20 in the savings banks of England, Wales, and Ireland, whose savings amounted to £ 1,734,709, being an average of £ 7 1s. 10d. for each depositor.

By the 3 Wm. IV., c. 14, the industrious classes are encouraged to purchase annuities, to commence at any deferred period which the purchaser may choose, the purchase-money being paid either in one sum at the time of agreement, or by weekly, monthly, quarterly, or yearly instalments, as the purchaser may determine. The transactions under this act are to be carried on through the medium of savings banks, or by societies established for the purpose, and of which the rector or other minister of the parish, or a resident justice of the peace, shall be one of the trustees. The 7 and 8 Vict., c. 83, contains some fresh regulations as to these annuities, as well as to other matters that concern savings banks. This act extends to societies for purchasing annuities as well as to savings banks, and to Great Britain and Ireland, Berwick-upon-Tweed, Guernsey, Jersey, and the Isle of Man.

Rules framed in agreement with the statute have been issued by the commissioners for the reduction of the national debt. These rules provide, among other things, that no person being a trustee, treasurer, or manager of the society, shall derive any emolument, direct or indirect, from its funds; that the treasurer and the paid officers of the society shall give security for the faithful execution of their trust; that the age of the party, or nominee, upon whose life the annuity is contracted, must not be under fifteen years; that no one individual can possess, or be entitled to, an annuity, or annuities, amounting altogether to more than £ 20 (£ 30 by the 7 and 8 Vict., c. 83), and that no annuity of less than £ 4 can be contracted for; that minors may purchase annuities. The annuities are payable half-yearly, on the 5th of January and 5th of July, or on the 5th of April and 10th of October. If any person wishes to have an annuity payable quarterly, that object may be accomplished by purchasing one half payable in January and July, and the other half payable in April and October. Upon the death of the person on whose life the annuity depends, a sum equal to one fourth part of the

annuity, beyond all unpaid arrears, will be payable to the person or persons entitled to such annuity, or to their executors or administrators, if claimed within two years. These annuities are not transferable, unless the purchaser becomes bankrupt or insolvent, when the annuity becomes the property of the creditors, and will be repurchased, at a fair valuation, by the commissioners for the reduction of the national debt. If the purchaser of an annuity should be unable to continue the payment of his instalments, he may at any time, on giving three months' notice, receive back the whole of the money he has paid, but without interest. If the purchaser of a deferred life annuity should die before the time arrives at which the annuity would have commenced, the whole of the money actually contributed, but not with interest, will be returned to his family, without any deduction. If a person who has contracted for, or is entitled to, an annuity, becomes insane, or is otherwise rendered incapable of acting, such weekly sum will be paid to his friends for maintenance and medical attendance as the managers shall think reasonable, or any such other payments may be made as the urgency of the case may require, out of the sums standing in the name of the party. Any frauds that may be committed by means of misstatements and false certificates will render void the annuity, and subject the parties offending to other and severe penalties. The rules of societies formed for carrying into effect the purposes of this act must be signed by trustees, and duly certified by the barrister appointed for the purpose.

Annuity tables, calculated under the direction of government, for every admissible period of age, and for every probable deferred term, may be had at the office of the commissioners for reducing the national debt, in the Old Jewry, London. Every information respecting, and forms of rules, &c. for the establishment, &c. of friendly societies, building societies, loan societies, savings banks, and government annuity societies, may be obtained free of expense, on applying by letter, post paid, directed to the barrister appointed to certify the rules of friendly societies.

The 5 and 6 Wm. IV., c. 57, passed in September, 1835, extended the provisions of the 9 Geo. IV., c. 92, and of 3 Wm. IV., c. 14, to savings banks in Scotland, and enabled existing banks to conform to the said acts by preparing and depositing their rules pursuant to these acts.

Military or Regimental Savings Banks were established by warrant dated October 11, 1843. The following is the amount of all sums deposited in them within the year ended March 31, 1844; of all sums withdrawn during the same period; and of the interest allowed upon such deposits; and also of the number of depositors on the 31st of March, 1844:—

	£	s.	d.
Amount of sums deposited, . . . . .	15,069	3	2
Amount of deposits withdrawn, . . . . .	316	11	5½
Amount of interest allowed, . . . . .	96	10	1½
Balance due by the public, . . . . .	14,849	1	11½
Number of depositors, 1,890.			

(*History of Savings Banks*, by J. Tidd Pratt; *The Law relating to the Purchase of Government Annuities through Savings Banks and Parochial Societies*, by the same author; *A Summary of Savings Banks, &c.*, by the same author, 1846.)

**SUMMARY OF THE FIVE HUNDRED AND SEVENTY-SEVEN SAVINGS BANKS IN ENGLAND,  
SCOTLAND, WALES, AND IRELAND, ON THE 20TH NOVEMBER, 1844.**

	ENGLAND.			SCOTLAND.			WALES.			IRELAND.			TOTAL.		
	Number of Depositors.	Amount of Investments.	Average Amount invested by each Depositor.	Number of Depositors.	Amount of Investments.	Average Amount invested by each Depositor.	Number of Depositors.	Amount of Investments.	Average Amount invested by each Depositor.	Number of Depositors.	Amount of Investments.	Average Amount invested by each Depositor.	Number of Depositors.	Amount of Investments.	Average Amount invested by each Depositor.
Number and Amount of Individual Depositors in Savings Banks,	813,601	£ 23,469,371	28	68,791	£ 966,149	14	18,007	£ 518,348	28	90,144	£ 2,685,598	29	990,643	£ 27,639,566	28
Number and Amount of Charitable Institutions in account with Savings Banks,	9,789	511,073	52	630	28,880	45	205	12,063	58	677	41,233	60	11,301	563,249	52
Number and Amount of Friendly Societies in account with Savings Banks, . . .	8,900	1,132,421	127	403	48,154	119	478	69,385	145	422	22,086	52	10,203	1,272,046	124
Total, . . .	832,290	25,112,865	30	69,824	1,043,183	14	18,690	599,796	32	91,243	2,749,017	30	1,012,047	29,504,861	29
Number and Amount of Friendly Societies in direct account with the Commissioners for the Reduction of the National Debt, . .													428	1,770,775	..
										Gross Total,			1,012,475	31,275,636	..

A D I G E S T  
OF THE  
DECISIONS OF THE SUPREME COURT OF VERMONT.

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I. BANKS AND BANKING.

1. A bank may pursue its collateral and direct remedies at the same time, until it obtains satisfaction. *Bank of Rutland v. Thrall*, 6 Vt. 237.

2. Proof of the *actual destruction* of a bank-bill, and of notice and demand at the bank, is sufficient to enable the owner to recover the amount from the bank in an action of assumpsit. *Ross v. Bank of Burlington*, 1 Aik. 43. *Aliter*, if loss merely is proved. *Ibid*.

3. The existence of the Bank of the United States and its branches, and that they have been in operation, are matters of general knowledge and notoriety, not requiring the formality of proof, on a trial for counterfeiting the bills of said bank. *State v. Randall*, 2 Aik. 89.

4. The act of this State against counterfeiting bank-notes (Stat., p. 261, ch. 31, § 34) is not void for repugnancy. The word *counterfeited*, where it occurs in the second clause of the section, is to be understood in the sense of the word *counterfeit*. *Ibid*.

5. The withdrawing of bank stock under the form of loans upon private security, if permitted with intent to reduce the effective capital below the amount required by the charter, is a violation of the charter. *State of Vermont v. The President, &c. of Essex Bank*, 8 Vt. 489.

6. But the vacating of the charter is a matter of discretion with the court, and will not be exercised unless there is danger to the interests of the community. *Ibid*.

7. In a suit by a bank, if their corporate existence is called in question, it is sufficient to produce the charter, and parol evidence showing that they do business as a bank. *Bank of Manchester v. Allen*, 11 Vt. 302.

8. An action may be sustained in this State against a foreign banking or other private corporation. *Day v. Essex Co. Bank*, 13 Vt. 97.

9. A note, or bill, indorsed to the cashier of a bank, may be sued in the name of the bank, if the bank alone is interested in the transaction. *Bank of Manchester v. Slason*, 13 Vt. 334; *Farmers and Mechanics' Bank v. Day*, 13 Vt. 36.

10. A debtor to the Bank of B. had a right to pay to an equitable assignee of the bank, who was prosecuting the claim in the name of the bank for his own benefit, the amount of the debt in the bills of the bank, though they were of nominal value, under the section of the charter of the bank which provides that the bills of the bank shall be received on all demands originally due to the bank; but that the assignee could not be

compelled to receive the costs which accrued in the prosecution of the claim by him in such bills, the defendant having had notice of the assignment. *Bank of Bennington v. Booth*, 16 Vt. 360.

11. The words "bank-bill" and "promissory note," in the fourth section of the Vermont statute (Rev. Stat. c. 96, § 4), are synonymous. So the words "bank-note" have the same signification; and an indictment which charges a respondent with having uttered a counterfeit "bank-note" is sufficient, within the section. *State v. Wilkins*, 17 Vt. 151.

12. Under such section, the uttering, passing, and giving in payment a counterfeit bill, are distinct offences; and an indictment for uttering and passing such bill, averring the knowledge of the respondent that the bill was counterfeit, is sufficient, though it do not allege that he uttered and passed it as a true bill. *Ibid.*

13. The expression, in an indictment for passing a counterfeit bank-bill, that the bill "was made in imitation of, and did then and there purport to be, a bank-note, for the sum of five dollars, issued by the President, Directors, and Company of the Bank of Cumberland, by and under the authority of the legislature of the State of Maine, one of the United States of America," is a sufficient averment of the existence of such bank, and that it is an incorporated institution. *Ibid.*

14. Such allegation is merely one that the bill is fictitious, and is not an attempt to set forth the bill according to its legal effect and purport, in such way as to lay the foundation for a variance between the allegation and the terms of the bill. *Ibid.*

15. In a suit brought by a bank against a common carrier, to recover for a package of bank-bills intrusted to the carrier and lost by him, the teller of the bank, who delivered the package to the carrier, is a competent witness for the plaintiffs. *Farmers and Mechanics' Bank v. Champlain Trans. Co.*, 18 Vt. 131.

16. *Held*, also, in such suit, that the cashier of the bank, who was, at the time of the delivery of the bills to the defendants, a stockholder in the bank, was a competent witness for the bank, it appearing that the bank had executed and delivered to the cashier a release of all liability to them on account of the loss of the bills in question, and that the cashier had transferred to the bank, upon sufficient consideration, the shares owned by him in the capital stock of the bank. *Ibid.*

17. A clause in the charter of a banking corporation, which prohibits the corporation from dealing or trading, directly or indirectly, in buying or selling any goods, wares, or merchandise, or commodities whatsoever, is in derogation of the common and ordinary powers of the corporation, and should be construed strictly. A *bona fide* sale and transfer to the bank, by a stockholder, of stock owned by him in the bank, will divest him of all interest arising from his having been the owner of such stock, so as to render him a competent witness for the bank, notwithstanding the charter of the bank may contain such prohibitory clause. *Ibid.*

18. (In equity.) Notice to the president of a banking corporation, that stock, standing upon the books of the bank in the name of one person, is held by him in trust for another, should be considered as notice to the



corporation. And it is not necessary, in order to affect the corporation with notice of such trust, that there should have been a full communication of all the circumstances connected with it. It is enough, in such case, if the party be put upon inquiry. *Porter v. Bank of Rutland*, 19 Vt. 410.

19. Depositions of stockholders in a banking corporation are inadmissible as evidence in favor of the corporation. *Ibid.*

20. Although the general rule is, that an answer responsive to the bill is evidence of the facts therein asserted, and cannot be overcome by the testimony of one witness, yet, when the orator seeks to charge a banking corporation with notice of a trust, and the corporation answers by one of its officers, fully denying such notice, and the orator introduces the deposition of another officer of the corporation, showing such notice to him, some modification of the general rule would seem to be required, inasmuch as notice given to one officer may not have been communicated to another officer, and therefore the answer and testimony would not necessarily conflict with each other. *Ibid.*

21. By a provision in the charter of the Bank of Woodstock, no transfer of stock in the bank was to be valid, unless recorded in a book to be kept by the bank for that purpose, and unless the person making the same should have previously discharged all debts due from him to the bank. In October, 1835, A, who was the owner of nearly two hundred shares in the capital stock of the bank, and who was not then indebted to the bank, transferred his stock, in due form, upon the book of the bank, to forty-five different persons, without consideration, and for the purpose of increasing the vote upon his stock at an approaching election of bank officers; and by this transfer four shares were conveyed to the plaintiff. Nearly all of these shares, but not those conveyed to the plaintiff, were reconveyed to A by the persons to whom they had been transferred; and on the 9th of October, 1837, he made a similar distribution of his stock, by transfer in due form upon the book of the bank, for a similar purpose, and at this time transferred to the plaintiff two shares. A was then indebted to the bank to an amount exceeding the value of all the stock owned by him. The plaintiff had no interest in the six shares which stood in his name, until October 25, 1837, when he purchased them of A in payment for preëxisting debts. On the 16th day of November, 1839, the bank attached these six shares, as the property of A, upon a debt which accrued January 6, 1837, and caused them to be sold on execution, to satisfy said debt, December 19, 1840. From the time the transfers were made upon the book to the plaintiff until the time of the attachment, A controlled these six shares, as well as the others transferred by him, as his own property, and he received all the dividends upon them which were paid previous to the attachment; and the plaintiff made no claim upon the bank until 1841, when he demanded the dividends, and one dividend which became due previous to the sale on execution was paid to him, and payment of those which accrued after the sale was refused. *Held*, that the plaintiff, having suffered A for so long a period to treat the shares as his own, was bound to inquire of the bank as to the state of the title before purchasing, and

to give notice to the bank of his having become the beneficial owner, and that his title, as between him and the bank, could only be regarded as accruing from the time such notice was given, and that the bank, having attached the shares previous to receiving such notice, was entitled to hold their avails, as against the plaintiff. *Sabin v. Bank of Woodstock*, 21 Vt. 353.

22. *Held*, also, that it made no difference in the case, that a majority of those who were the directors of the bank advised or procured the transfers made by A upon the book of the bank. As directors they would have no right to make or advise such operation. *Ibid*.

23. But *bonâ fide* purchasers of stock, without notice, are at liberty to act upon the faith that the title is where the books of the bank make it appear to be. Redfield, J. *Ibid*.

See *Negotiability and Transfer*, 4; *Actions, when and by whom maintainable*, 6; *Pleadings and Evidence*, 8, 20, 134.

## II. BILLS OF EXCHANGE AND PROMISSORY NOTES.

1. General Requisites.
2. Validity.
3. Consideration.
4. Construction.
5. Days of Grace.
6. When a Discharge of the Original Cause of Action.
7. Notes payable in Specific Articles.
8. Negotiability and Transfer.
9. Acceptance.
10. Presentment, Demand, and Notice.
  1. Necessity of.
  2. By whom to be made or given, when and where.
  3. Sufficiency of.
  4. Waiver of.
11. Protest.
12. Rights and Liabilities of the different Parties.
  1. In general.
  2. Of Indorsers, Guarantors, and Sureties.
13. Actions on Bills and Notes.
  1. When and by whom maintainable.
  2. When subject to Equities between other Parties.
  3. Defences.
  4. Limitations.
14. Payment.
15. Pleadings and Evidence.
16. Damages.

### 1. *General Requisites.*

1. No precise form of words is necessary to constitute a promissory

note, but it must be a promise absolutely for the payment of money or specific articles. *Hitchcock v. Cloutier*, 7 Vt. 22.

See *Pleadings and Evidence*, 175.

## 2. Validity.

1. If part of the consideration of a promissory note is void as against law, the whole note is void. *Woodruff v. Hinman*, 11 Vt. 592.

2. A note given, in whole or in part, for compounding penalties or suppressing criminal prosecutions, is void. *Hinesburgh v. Sumner et al.*, 9 Vt. 23. Also one given for the suppression of evidence in a criminal prosecution. *Badger v. Williams*, 1 D. Chipman, 137.

3. The obligation on a note does not commence until it is delivered to the payee. *Woodford v. Dorwin*, 3 Vt. 82; *Chamberlain v. Hopps*, 8 Vt. 94.

4. The delivery is presumed until the contrary is shown. *Woodford v. Dorwin*, 3 Vt. 82.

5. A note made during the existence of the partnership by one of the partners in the name of the firm, but not delivered till after its dissolution, does not bind the firm. *Ibid.*

6. A promissory note executed on Sunday, in consummation of a contract previously made, not being a work of necessity or charity, is void. *Lovejoy v. Whipple*, 18 Vt. 379.

7. But though such note be written and signed on Sunday, yet it will not on that account be void, if not delivered until some other day. *Ibid.*

8. A promissory note given during coverture by the husband to the wife is void, nor will a subsequent promise to pay the same to a third person alter the case. *Sweat v. Hall*, 8 Vt. 187.

9. A promise on a subscription-paper to pay certain sums annexed to individual names toward building a State-House, is not void for want of consideration, or as against public policy. *State Treasurer v. Cross et al.*, 9 Vt. 289.

10. A note deposited with arbitrators, subject to their indorsement to the amount of their award, is valid. *Bagley v. Wiswall*, Brayton, 23. This case overrules *Drake v. Collins*, 1 Tyler's R. 79, which was previously doubted in a note in 2 Tyler, 63.

11. A promise by an administrator, in consideration of assets, to pay a note against the intestate, made before the commissioners had closed their proceedings, without the notes being presented to them for allowance, is good. *Willard v. Brewster*, Brayton, 104. See *Moar v. Wright*, 1 Vt. 57.

12. Where an agent duly authorized to settle a debt due the estate takes a note to the administrator for the principal sum due, and another to himself for usurious interest, the former note is not void unless the administrator knew of the usury and assented to it. *Baxter v. Buck*, 10 Vt. 548.

13. P. executed his note to H., knowing all the facts in settlement for which the note was given, and with the understanding that the note was to be indorsed to B. *Held*, that the note was not void, as having been

obtained by fraud, though both H. and B. may have expressed to P. an opinion as to his rights which was unfounded. *Blake v. Peck*, 11 Vt. 483.

14. A note given by one of the partners of a firm, after the dissolution of the copartnership, is not valid against the other partners, even though executed on account of a preëxisting partnership liability, unless some authority be given him beyond that implied from the relation merely. *Woodworth v. Downer*, 13 Vt. 522.

15. A note given in consideration of the forbearing to bid at a public auction, for the sale of the support of the paupers of a town, is void, such transactions being against public policy. *Noyes v. Day*, 14 Vt. 384.

16. A note promising to pay A. a given sum in *one* from the 1st of October following the date, in cattle or in grain the 1st of January following, was held void, for uncertainty, since evidence could not be admitted to explain the meaning of *one*. *Wainwright v. Straw*, 15 Vt. 215.

17. Where two individuals execute notes, the one to the other, of \$2,000, and place the same in the hands of a third person, on the condition, that, if the one did not drink more than three glasses of ardent spirits in a day, during his life, the other's note should be obligatory, but if the same person did drink more than that amount, his own note was to be binding, and he forfeited the condition, and his note was delivered by the third person as agreed upon; *Held*, that the note constituted no legal and valid claim against the maker. *Conant v. Jackson*, 16 Vt. 335.

18. Where the plaintiff, owning a horse worth \$25, sold him to the defendant, and received in payment a note for \$50, payable when Martin Van Buren was reëlected President of the United States, with interest annually, and the jury found that the note had reference to the presidential election then pending, which did not result in the election of M. V. B. as president, and which had passed before the commencement of this action; *Held*, that the note was given upon a wagering contract, and was therefore void. *Danforth v. Evans*, 16 Vt. 539.

See *Consideration*, 1, 5, 9; *Usury, In general*, 6; *Evidence of*, 8.

### 3. Consideration.

1. A note of hand executed in consideration of a deed of conveyance in fee, by husband and wife, of the land of the wife, where the wife does not acknowledge the conveyance apart from her husband, is not void for want of consideration. *Knappen v. Wooster*, Brayton, 50.

2. Notes may be made to raise money, and become effectual in the hands of *bonâ fide* purchasers, or those who have advanced money upon them, so that the parties to the instrument cannot object to the want of consideration. *Bank of Burlington v. Beach*, 1 Aik. 62.

3. A note given by the father to the mother of an illegitimate child to procure the discharge of a prosecution commenced against him has sufficient consideration. *Haven v. Hobbs*, 1 Vt. 238; *Knight v. Priest*, 2 Vt. 507; *Holcomb v. Stimpson*, 8 Vt. 141.

4. Information given to a litigant party of important testimony in a

suit then pending, is a good consideration for a note. *Chandler v. Mason*, 2 Vt. 193.

5. Where the condition of certain notes was, that certain suits should be instituted in the name of the payee for the benefit of the signers; *Held*, that it was not a performance when the suits had been commenced, but were discontinued by the order of the payee, and that they were void from want of consideration. *Jarvis v. Rogers*, 3 Vt. 336.

6. The sale of a right to raise money by lottery, once granted, but now of no legal force, is not a good consideration for a note. *Rogers v. Hough*, 4 Vt. 172.

7. Where a captain was committed on execution for a fine, and was discharged on giving a note for the fine and cost, and there was no objection to the proceeding within two years; *Held*, that the note was given in payment of the discharge, and defendant could not object to a recovery thereon, unless he was in danger of new executions. *Kingsbury v. Whitney*, 5 Vt. 470.

8. A note given to compromise a prosecution for bastardy cannot be avoided by showing that the person accused could not have been the father of the child, unless fraud in effecting the compromise is shown. *Holcomb v. Stimpson*, 8 Vt. 141.

9. A, being administrator of B, and guardian of C, presented claims in their favor, and got the same allowed by the commissioners of the estate of D. A died, these debts being unpaid, and his administrator claimed pay of the executor of D, who gave him his note therefor. *Held*, that the note was void for want of consideration. *Sowles v. Sowles*, 10 Vt. 181.

10. The release of a doubtful right is a sufficient consideration for a promise. *Blake v. Peck*, 11 Vt. 483.

11. After the time of foreclosure had expired, the assignee of the mortgagor contracted to pay the mortgagee a certain sum, exceeding the amount due on the mortgage, and to receive a deed of the land. He paid as much as was due on the mortgage, giving his note for the balance, and received his deed. *Held*, that the note has good consideration, and that chancery would not interfere. *Smalley et al. v. Hickok et al.*, 12 Vt. 153.

12. It seems that a forbearance to bid at a public auction for the sale of the support of the paupers of a town, is a good consideration for a note given therefor. *Noyes v. Day*, 14 Vt. 384.

13. By section four of the statute incorporating the Vermont Central Railroad Company, certain persons were constituted commissioners for receiving subscriptions to the capital stock of the company, and it was enacted as follows: "And every person, at the time of subscribing, shall pay to the commissioners \$5 on each share for which he may subscribe, and each subscriber shall be a member of said company"; and it was further enacted, that when one thousand shares should be subscribed, the commissioners might issue a notice for the stockholders to meet and elect directors. The defendant, after some other shares, but less than one thousand, had been subscribed for, subscribed for fifty shares, and gave his promissory note for the \$5 on each share, to the

amount of \$ 250, payable to "The Commissioners of the Vermont Central Railroad Company," on demand, for value received. This note being received from the commissioners by the corporation, upon its organization, *held*, that the note was given upon sufficient consideration, and was valid in the hands of the corporation, and that an action might be sustained upon it in the name of the corporation. *Vermont Central Railroad Co. v. Claves*, 21 Vt. 30.

14. Where the only consideration of a promissory note is the love and affection of the maker to the payee, such note does not create a valid obligation against the maker, or his representatives, either at law or in equity. *Smith v. Kittridge*, 21 Vt. 238; *Holley v. Riley*, 16 Vt. 206.

See *Validity*, 1, 9, 11; *Pleadings and Evidence*, 4, 15, 16, 36, 70, 77, 96, 178; *Usury, in General*, 10.

#### 4. Construction.

1. As a general rule, those incidents of a contract which concern its force and validity, as well as its performance, and damages for non-performance, will be determined by the law of the place of payment. *Peck v. Mayo*, 14 Vt. 33; *Harrison v. Edwards*, 12 Vt. 648. But the pleadings, trial, evidence, and form of action are determined by the *lex fori*. *Harrison v. Edwards*, 12 Vt. 648.

2. The legal effect of a note payable in woollen fulled cloth, at its cash price, is the same as if payable at its cash value. *Wead v. Marsh*, 14 Vt. 80.

3. Where a note is made negotiable, and the payment of it guaranteed in the State of New York, the *lex loci* governs the liabilities of the parties. *Russell v. Buck*, 14 Vt. 147.

4. Where a written instrument is made at the same time with a promissory note relating to the same subject-matter, and both refer to one entire transaction, they are to be construed together, and one may qualify the other. *Reed v. Field*, 15 Vt. 672.

5. Where a memorandum was affixed to the margin of a negotiable promissory note, made at the time of signing, that the note should be "payable in merchantable fulled cloth" at a specified time; *Held*, that such memorandum is to be considered a part of the contract, if it contain an important qualification of it. *Fletcher v. Blodgett*, 16 Vt. 26.

6. Such memorandum is presumed to have been made at the time of signing, unless the contrary appear. *Redfield, J. Ibid.*

7. There is no difference between a note payable "when demanded," and one payable on demand. *Kingsbury v. Butler*, 4 Vt. 458.

8. A note in the following terms, "We, in behalf of the First Methodist Episcopal Society in M., promise," &c., and signed by the defendants in the usual form, and without any additions, is, at least *prima facie*, their individual note. *Pomeroi v. Slade*, 16 Vt. 220.

9. The defendants gave the plaintiffs a note, payable in good cooking-stoves, at the furnace price, in fifteen days from date, if demanded; and cooking-stoves were afterwards delivered upon orders of the plaintiffs, to be applied on the note to the full amount, at the furnace price; but

some of them on use cracked in the fire, and fell to pieces; *Held*, that the transaction was not to be distinguished from the case of a contract executed, or sale and delivery at the time; and that the descriptive term "good," in the contract, did not amount to a warranty of the quality of the articles. *Barrett v. Hall*, 1 Aik. 269.

See *Pleadings and Evidence*, 178.

### 5. Days of Grace.

1. A, residing in New Hampshire, sold cattle to B at Cambridge, Mass., where B resided, taking therefor his promissory note payable in fifteen days. A brought the note to Vermont, where C signed it. *Held*, that C was entitled to three days' grace on the note. *Bryant v. Edson*, 8 Vt. 325.

2. The days of grace are regulated by the *lex loci contractus*. *Ibid*.

3. A note made August 25th, 1818, payable four years from date, becomes due, allowing three days' grace, on August 28th, 1822. *Ripley v. Greenleaf*, 2 Vt. 129.

### 6. When a Discharge of the Original Cause of Action.

1. A promissory note of the debtor, or of a third person with the guaranty of the debtor, given in settlement of a preëxisting account, will be considered as a payment, unless such note prove unproductive without the fault of the creditor. *Torrey v. Baxter*, 13 Vt. 452.

2. But if such note, without the fault of the creditor, prove unavailable, he may resort to his original demand. *Ibid*.

3. By the laws of New York, a promissory note executed by one of two or more joint debtors, for a book account against the whole, will not operate as payment, unless there be an express stipulation to that effect. *Rosseau v. Cull*, 14 Vt. 83.

4. Whether a note is received in payment of a debt is a question of fact growing out of the contract of the parties. *Follett v. Steele*, 16 Vt. 30. But the note of a debtor with a surety is, *primâ facie*, a payment. *Curtis v. Ingham*, 2 Vt. 287.

5. Where the note of a third person was, during the existence of a partnership, passed by the firm to one of its creditors, in settlement of an existing account, and the note could not be enforced against the maker, in consequence of a contract made by the firm with such maker; *Held*, that the creditor might resort to his original demand. *Torrey v. Baxter*, 13 Vt. 452.

6. If one indebted on book account execute and deliver his promissory note to the creditor for the amount of the account, but it appear affirmatively that such note was neither given nor received in payment of the account, the fact that the creditor credited the note upon his book will not alter the contract, nor the creditor's rights. *Follett v. Steele*, 16 Vt. 30.

7. If a person receive, in payment for goods sold, worthless bank-bills, or bills much depreciated, with no knowledge of these facts, he may

J

treat the payment as a nullity, if guilty of no negligence, and resort to his original action. *Gilman v. Peck*, 11 Vt. 516; *Wainwright v. Webster*, 11 Vt. 576.

8. A, being indebted to B, proposed to pay him by a note against a third person for a bureau; they examined the bureau, then unfinished, and the maker of the note represented to B, in the presence of A, that the price of such bureau was \$28. B received the note at \$28, but, having subsequently ascertained that such a bureau was worth but \$16, he refused to receive it, and returned the note to A, and commenced a suit upon the original indebtedness; and it was *held*, that the receiving the note under such circumstances did not operate as payment, and that the action was well brought. *Keyes v. Carpenter*, 3 Vt. 209.

9. On a settlement of book account, A gave his note to B for the balance due him, and B agreed at the same time, that, if any articles were found to be omitted in the credit, he would indorse the same on the note of A. Afterwards, several articles having been omitted in said credit, it was *held*, that an action by A would lie against B on book account for their value, though it did not appear that B offered or was required to indorse the unsettled account on the note. *Austin v. Berry*, 3 Vt. 58.

10. (In Equity.) When a note, secured by mortgage, has been partly paid, and is given up, and a new note taken for the balance due upon it, the old debt is not thereby paid, or the mortgage security released, as against the mortgagor or subsequent mortgagees, in the absence of any agreement or understanding that the transaction should have that effect. *McDonald v. McDonald*, 16 Vt. 630.

See *Pleadings and Evidence*, 86.

### 7. Notes payable in Specific Articles.

1. Where a note is payable in specific articles, on demand, and a demand is made, the promisor must deliver the articles so as to place them at the disposal of the promisee. *Wood v. Beeman*, Brayton, 227.

2. Where a note is payable in specific articles, at a time and place fixed, the promisor must, at the fixed time and place, designate the articles he offers in payment. *Ibid.*

3. A tender of specific articles by the debtor, at the time and place of payment, is a discharge of the contract. The creditor cannot, by neglecting to attend at the time and place to receive the property, deprive the debtor of the privilege of discharging his contract. And a tender of specific articles, at the time and place appointed by the contract, may be made by the debtor to the creditor, in his absence, if he neglect to attend, and such tender will discharge the contract, and vest the property of the articles tendered in the creditor. *Barney v. Bliss*, 1 D. Chip. 399.

4. If a note is payable in specific articles, at a fixed time, and at such place as the payee shall elect, the payee must make his election in a reasonable time before such time elapses, or the maker may elect a place, tender payment, and notify the payee. *Admr. of Peck v. Hubbard*, 11 Vt. 612.



5. In such a case the election of the payee is a mere privilege, which is waived if not used in a reasonable time. *Ibid.*

6. A contract in the form of a promissory note, payable in specific articles, is treated in Vermont as a promissory note, both as to the form of declaring upon it, and as to the necessity of giving evidence as to the consideration, in the first instance, on the part of the plaintiff. *Denison v. Tyson*, 17 Vt. 549.

7. If a note be made payable in leather, without any designation of the quality, the holder has a right to require that it shall be of *merchantable* quality. *Elkins v. Parkhurst*, 17 Vt. 105.

8. The payee of a note payable in cattle was ready at the specified time and place to receive them, but at the request of the maker he agreed to wait and call for them again. He called again soon after, and made known his business, but the maker was not at home; but, seeing him afterwards, he told him he had called for the cattle, according to agreement. *Held*, that thereon the maker should have paid the cattle immediately, without the payee's calling again; that he might appoint a time for payment at his house, and notify the payee, and a payment or tender at such time would be good; that, as the maker neglected tender or payment for three months, an action accrued on the note; that the payee in declaring on the note need not notice the agreement to extend the time of payment; and if the maker relies on such agreement he must plead it specially. *Pike v. Mott*, 5 Vt. 108.

9. A gave B a negotiable note, B agreeing to receive payment in bank-bills when the note became due. B afterward refused the bills when tendered, and sold and indorsed the note to C, who collected the amount of it with costs. A brought a suit against B, and recovered, as B did not demur or object to parol proof of the agreement. *Noyes v. Evans*, 6 Vt. 628.

See *Presentment, Demand, &c., Necessity of*, 6; *Actions, when and by whom maintainable*, 45; *Payment*, 2; *Pleadings and Evidence*, 11, 14, 16, 19, 126.

### 8. Negotiability and Transfer.

1. No prescribed form of words is necessary to be used, to constitute an indorsement of a promissory note. *Partridge v. Davis*, 20 Vt. 499.

2. A written guarantee of the payment of a promissory note, placed by the payee upon the back of the note for the purpose of negotiating it, whether with or without restriction, or with or without recourse, is the same, in legal effect, and for every practical purpose, as an indorsement, and may be treated as such. *Ibid.*

3. And such indorsement will operate to transfer the legal title in the note to any subsequent holder, notwithstanding the person to whom the note is first transferred is not named in the indorsement, and it is not made, in terms, to order or bearer. *Ibid.*

4. A promissory note payable in current bills is not negotiable. *Collins v. Lincoln*, 11 Vt. 268.

5. The assignment of a note not negotiable for a valuable considera-

tion is sufficient to support a promise of the debtor to make payment to the assignee. *Hodges v. Eastman*, 12 Vt. 358.

6. In the State of New York, the law seems to be settled that a negotiable note, indorsed by the payee, as a security or in payment of a *precedent* debt, is not transferred in the due course of trade, so as to preclude the maker from setting up such matter in defence against the holder, as he might have done against the payee. *Russell v. Buck*, 14 Vt. 147.

7. The defendant indorsed to the plaintiff a negotiable note after it had been overdue *eight* or *ten* months, the parties living in the same village, and the maker about two miles off. In an action by the indorsee against the indorser, *held*, that the circumstance of the note having been long overdue could make no difference, and the same ought to be treated as a note indorsed on the day it fell due. *Nash v. Harrington*, 2 Aik. 9.

8. A writing upon the back of a negotiable note, signed by the payee, and directed to a third person, in these words, "Please pay the bearer the within without recourse to the indorser," is a sufficient indorsement of the note to enable such third person to maintain an action upon it in his own name. *Keyes v. Waters*, 18 Vt. 479.

9. Words used in a contract of assignment of a promissory note are not to be construed in a frivolous or ineffectual sense, when a contrary exposition can be given them; and where the meaning of the language used is doubtful, or susceptible of two senses, that is to be adopted which would give effect to the instrument as a legal contract, rather than that which would render it inoperative. *Thrall v. Newell*, 19 Vt. 202.

10. There might be a valid sale of a note without any writing of which parol proof is admissible. *Tichout v. Cilley*, 3 Vt. 415.

11. A note loses its negotiability on the decease of the signer, and an adjudication upon the note by the commissioners. *Jarvis v. Barker's Admr.*, 3 Vt. 445.

12. In an action by the assignee of a promissory note against the maker, it is the duty of the payee who assigned the note, warranting it to be due, and who has received notice of the suit, to furnish all the evidence in his power to the assignee. *Warner v. McGary*, 4 Vt. 507.

13. The indorsement of a negotiable note by an administrator will enable the indorsee to maintain an action in his own name against the maker, when the estate is not insolvent, and there are no impediments under our statute. *Griswold v. Barnum*, 5 Vt. 269.

14. The payee of a negotiable promissory note, who holds it in trust for the benefit of a third person, may transfer it, by indorsement, while current, for a valuable consideration, to any one having no notice of the trust, and thereby pass a good title to the note, not only against the payee, but also against the *cestui que trust*. *Keyes v. Wood*, 21 Vt. 331.

15. But if, in such a case, the notes were transferred by the payee, as collateral security merely, the *cestui que trust* will be allowed to redeem them by paying the amount of the liability for which they were pledged. *Ibid.*

16. If a part of several notes secured by the same mortgage be as-

signed by the mortgagee, it will be *held*, in the absence of any contract to the contrary, that a *pro rata* portion of the mortgage security accompanies them. *Ibid.*

17. The assignment of a note for value received entitles the assignee to recover from the maker. *Bucklin v. Ward*, 7 Vt. 195.

18. The indorsement of a negotiable note unqualifiedly directing payment to the indorsee, is a valid transfer, though the words "value received" are omitted. *Snow v. Conant*, 8 Vt. 301.

19. A negotiable promissory note is liable to a trustee process as the property of the payee, though assigned by him, unless the maker has notice of the assignment. But such note, if assigned by the first assignee *bonâ fide*, is not liable to such process, though no notice has been given to the maker. *Britton v. Preston*, 9 Vt. 257.

20. The interest of the payee in a note not negotiable may be assigned; and if assigned, and notice thereof is given to the maker, and an action is commenced upon the note in the name of the payee for the benefit of the assignee, the equitable interest of the assignee will be protected at law. This is not now an open question. *Stiles v. Farrar*, 18 Vt. 444.

21. And if, upon notice of the assignment being given to the maker, he promises to pay the note to the assignee, this will, in law, amount to a waiver of all right in the maker to plead in set-off to the note any demand which may have accrued to him against the payee, prior to the assignment. *Ibid.*

22. And such assignment and notice constitute a sufficient consideration for the promise to pay the note to the assignee. *Ibid.*

23. And if, in an action upon such note by the assignee, the assignment, the notice to the maker, and the maker's promise are admitted upon the pleadings, it will be considered as sufficiently appearing that the suit is prosecuted for the benefit of the assignee. *Ibid.*

24. The defendant executed to the plaintiff a written assignment in these words: "I hereby assign to Reuben R. Thrall a note in my favor against A and B, dated 13th November, 1838, for one hundred and fifty dollars, payable in one year from date with use, for value received"; *Held*, that the words "for value received" were not merely descriptive of the note assigned, but that, *primâ facie* at least, they imported a sufficient legal consideration for the assignment. (See *Lapham v. Barrett*, 1 Vt. 247, and *Brooks v. Page*, 1 D. Chip. 340.) *Thrall v. Newell*, 19 Vt. 202.

25. And it was *held*, that such instrument, in describing the property assigned as a "note," must be construed as an express warranty, on the part of the defendant, that it was a valid note, and that the signers were of sufficient capacity to contract, when they executed it;—and *quare*, whether such a warranty would not be implied from the sale, without words indicating an express warranty. *Ibid.*

26. A note must be transferred, and notice given to the maker previous to the commencement of a suit, to entitle the holder to plead it in set-off, under the statute, to a note executed by the maker to a third person. *Bragg v. Fletcher*, 20 Vt. 351.

J \*

27. The fact, that the name of the payee of a note was indorsed upon it at the time it was lost, does not prove that the note was negotiable. *Hough v. Barton*, 20 Vt. 455.

28. When all the notes secured by a mortgage are assigned, the mortgage passes with them, but when a part are assigned and a part retained, it depends on the contract how, and for whose benefit, the mortgage shall be held. *Langdon et al. v. Keith*, 9 Vt. 299.

29. But if an assignment of the whole, instead of a part, of the mortgage be made by mistake, it may be corrected in chancery, but not after such assignee has conveyed, for a valuable consideration, to a *bonâ fide* purchaser without notice, to the injury of his subsequently accruing interests. *Ibid.*

30. The assignment by a mortgagee of his mortgage interest of itself conveys the right to receive payment on the notes described in the mortgage. And an assignment by indorsement on the notes is unnecessary in case of a *bonâ fide* sale and a delivery of the notes to the assignee of the mortgage interest in the land. *King v. Harrington*, 2 Aik. 33.

31. Possession of the notes by the assignee of the mortgage is necessary to rebut the presumption of payment arising from their absence, but it is not essential to convey the right. *Ibid.*

32. (In Equity.) A, being possessed of five notes secured by mortgage, assigned two of them to B, and by deed transferred and set over to him a corresponding portion of the mortgage, to hold to himself, &c. until he should be paid, and satisfied said notes. And B, on his part, covenanted in the same instrument, under a penalty of \$2,000, at any time after said notes should be paid, with the interest and costs, if any, to give up to A "all and singular all the residue and remainder, without let or hinderance or molestation, peaceable possession of the premises." A afterwards assigned to C two other of said notes, and transferred to him all his remaining interest in the mortgaged premises. Held, that the assignment to B was not such a contract as enabled him to hold the whole mortgaged premises as a security for the payment of the two notes so assigned to him; but that as against C he was entitled to a portion of the mortgaged premises, equal in value to the amount of the two notes, &c., and that C was entitled to the residue. *Wright v. Parker*, 2 Aik. 212.

See *Rights and Liabilities, In General*, 6, 22, 53, 68, 72; *When subject to Equities; Defences; Pleadings and Evidence*, 5, 83, 107, 159.

### 9. Acceptance.

1. There is no rule requiring that a bill of exchange should be actually shown to the drawee, in order to a valid and binding acceptance; it is enough, if, when applied to for acceptance, he is enabled, by seeing the bill, or otherwise, to give an intelligent answer. *Fisher v. Beckwith*, 19 Vt. 31.

2. An acceptance of a bill of exchange is not a contract within the statute of frauds; it is rather an undertaking to pay the acceptor's debt to the drawer, than to pay a debt due from the drawer to the payee. *Ibid.*

3. An acceptance of a bill of exchange, by parol, is not void for want of consideration, when it appears that there was then a debt due from the acceptor to the drawer, on account of which the bill was drawn. *Ibid.*

4. And the contract between the acceptor and the payee, created by the acceptance, cannot be affected by any subsequent arrangement between the acceptor and the drawer. *Ibid.*

See *Pleadings and Evidence*, 171.

#### 10. Presentment, Demand, and Notice.

##### 1. Necessity of.

1. Notice from the indorsee to the indorser of non-payment by the maker is necessary to enable the indorsee to maintain an action against the indorser. *Nash v. Harrington*, 1 Aik. 39.

2. Notice of non-payment must be given back to the indorser, in order to charge him, notwithstanding the insolvency of the maker. *Nash v. Harrington*, 2 Aik. 9.

3. It is not necessary for the indorsee of a note void at its making to make a demand of the maker to entitle him to recover from the indorser. *Chandler v. Mason*, 2 Vt. 193.

4. A note payable on demand, and warranted to be "due and collectable," is not subject to the same regulations as bills and notes indorsed in the usual way, and demand and notice by the indorsee are not necessary; but he must use reasonable diligence in proceeding against the maker. *Foster v. Barney*, 3 Vt. 60.

5. To entitle the holder to recover on a note made payable at a particular place, presentment and demand are not necessary. *Hart v. Green*, 8 Vt. 191.

6. When a note is payable in specific articles on a day certain, no demand is necessary before bringing the suit;—otherwise, per Bennett, J., if payable on demand. *Elkins v. Parkhurst*, 17 Vt. 105.

See *Rights and Liabilities*, 9; *Indorsers, Guarantors, &c.*, 63.

##### 2. By whom to be made or given, when and where.

1. Where the law in England requires demand by the indorsee, and notice back to the indorser on the same day, to charge him, if the facilities of demand and notice are the same here, the rule of law is the same. *Nash v. Harrington*, 2 Aik. 9.

2. An indorsee, to fix the indorser, must present the note for payment at the time it falls due, and must give notice to the indorser of non-payment within a reasonable time, which, according to the general rule, if he resides in the same place, must be on the same day, or at farthest by the next day, or, if in a different place, by the next post. *Whittlesey v. Dean*, 2 Aik. 263; *Camp v. Scott*, 14 Vt. 387.

3. The indorsee of a note not negotiable, with blank indorsement, is considered as the payee of a bill of exchange, and must observe the rule of the law merchant, as to demand, notice, &c. *Aldis v. Johnson*, 1 Vt. 136.

4. The holder of a bill of exchange payable at a certain future time need not present the same to the drawee for acceptance until it becomes due. *Bank of Bennington v. Raymond*, 12 Vt. 401.

### 3. Sufficiency of.

1. Due diligence must be used by the indorsee in giving notice to the indorser; but what is due diligence is partly a question of law, and partly a question of fact, in deciding which, the period the note has been payable before the indorsement, the insolvency of the maker, the improbability of his paying or growing worse by delay, the relative distances of the indorser, indorsee, and maker, and the facilities of communication between them, are all to be considered. *Nash v. Harrington*, 1 Aik. 39.

2. When the facts are found, the question of reasonable notice is purely a question of law. *Nash v. Harrington*, 2 Aik. 9.

3. If the indorsee of a promissory note payable in specific articles make a demand of the maker at the proper time and place without having the note with him, and the maker refuse to pay it, the indorser is discharged. *Eastman v. Potter*, 4 Vt. 313.

4. Notice of dishonor of a bill or note to the indorser, if addressed to the town post-office in the town where he resides, is sufficient, notwithstanding there may be another post-office in the town, nearer the residence of such indorser, and at which he does his principal business. *Bank of Manchester v. Slason*, 13 Vt. 334.

5. Where, at the time a note was indorsed, the maker of the note was engaged in business in Vermont, and lived in a house with his son and daughter, his daughter being his housekeeper, and, before the note became due, went into another State, leaving his son and daughter living in the same house, his son being his agent in the transaction of his business in Vermont, it was held, that a demand of payment of the note, made on the day it became due, which was about nine months after the maker of the note left the State, at the house previously occupied by him, and which was then occupied by his son and daughter, was sufficient to charge the indorser, it not appearing that the maker had ever abandoned the idea of returning to his said residence, although it did appear that, at the time the demand was made, he had an actual residence in another State. *Sanford v. Norton*, 17 Vt. 285.

See *By whom to be made or given*, &c., 5.

### 4. Waiver of.

1. If the indorser of a note, having received premature notice of non-payment, promises to pay the same, it is a waiver of such notice. *Seeley v. Bisbee*, 2 Vt. 105.

2. Where the drawer of a bill, near its maturity, makes a contract with the holder for the payment of the bill, upon further time, this supersedes the necessity of showing a demand on the acceptor and notice to the drawer. *Farmers and Mechanics' Bank v. Catlin*, 13 Vt. 39. See *Pleadings and Evidence*, 135, 136.

11. *Protest.*

1. A protest is not invalid, though the notarial seal is impressed upon paper and not on wax. *Bank of Manchester v. Slason*, 13 Vt. 334.

12. *Rights and Liabilities of the Different Parties.*1. *In General.*

1. An administrator, appointed in another State only, the intestate being a citizen of that State, acquires, by virtue of such appointment, no interest in simple contract debts due from resident citizens of this State, and cannot indorse a note against a citizen of this State, so as to convey any right to the indorsee. *Lee v. Havens*, Brayton, 93.

2. Notice given to the maker of a note of hand, by the original payee, that the note was indorsed, is sufficient notice, under the statute, to protect the indorsee against any after payment or credit made or given by the maker to the indorser. *Stewart v. Barnum*, Brayton, 173.

3. The court will not protect the interest of an assignee of a note not negotiable against an attaching creditor, in a trustee suit, though notice be given at the time of the assignment. *Safford Co. v. Hull*, Brayton, 231.

4. If the indorsee of a note not negotiable commence an action on the note, in the name of the original payee, and in his name obtain judgment and execution, and cause such execution to be levied on personal estate, the property of such personal estate is by the appraisal vested in the indorsee, and not in the original payee. *Richards v. Pearl*, 1 D. Chip. 113.

5. But, to show this right in the indorsee, it is necessary for him to produce a copy of the judgment, before he can read in evidence the execution and levy. *Ibid.*

6. If a note not negotiable be sold and assigned by the payee to a third person, and notice of such transfer be given to the maker of the note, a subsequent payment of the note to the original payee by the maker will not avail him, but he will be holden to pay the note to the assignee; and if he be summoned as trustee of the original payee of the note, a disclosure that such transfer was made and notice given before the service of the process will discharge him. *Newell v. Adams*, 1 D. Chip. 346.

7. Where a party, seeking to charge a partnership upon a promissory note, is apprised that the transaction is not for their benefit, and the act is not in the usual course of business, *primâ facie* the firm is not holden. *Huntington v. Lyman*, 1 D. Chip. 438.

8. It is not necessary, to secure a person giving credit to a partnership, that he should know, or believe, that each individual member of the firm would approve of the transaction; but it is necessary that he should *not* know that the debt attempted to be secured was not the debt of the partnership, or the property sold was *not* to inure to their benefit, in the absence of all proof of the assent or approbation of the party attempted to be charged. *Ibid.*

9. It is the duty of the assignee of a note not negotiable, who takes it upon himself to pursue the maker in the first instance, or of one holding a note in trust, to demand payment as in case of an indorsee, and, if the note is not paid forthwith, to attach the estate of the debtor, if to be found, and if not to attach his body; unless the maker abscond, leaving no effects, or become bankrupt. *Whittlesey v. Dean*, 2 Aik. 263.

10. The payer may bind himself by a note, to which his signature is affixed by a third person at his request. *Haven v. Hobbs*, 1 Vt. 238.

11. A held a note against B, and indorsed on it one dollar for services rendered by B, but without his authority. B sued for the services, testifying that he did not authorize the indorsement, and recovered. In an action against B on said note, it was *held*, that A could erase said indorsement without injuring the note. *Kimball v. Lamson*, 2 Vt. 138.

12. A gave his note to B, with C as security, and at the same time gave his note to C, with a mortgage on his land to secure C. A afterwards sold the land to D, who executed his note to C for the balance due B, and C thereon discharged his lien on the land, and agreed to give up to D the note signed by him, if he would pay the debt due B. In an action against C, as trustee of A, he was *held* not to be chargeable. *Lapham v. Barnes*, 2 Vt. 213.

13. In an action on account against an agent who had taken notes payable to himself for the benefit of the plaintiff, and when due had received the money therefor, it was *held*, that the payment was to the defendant, and that he was accountable to the plaintiff for the amount of the notes, he having refused to account for the same before the suit was commenced. *Smith v. Woods*, 4 Vt. 400.

14. A person accepting a note and mortgage made by his agent, must adopt the agreement which was connected with them. *Newell v. Hurlburt et al.*, 2 Vt. 351.

15. (In Equity.) A was indebted to the estate of B by several promissory notes, which were put in suit by B's administrator, and at the same time the estate of B was indebted to the estate of C, of which A and B were joint residuary legatees. *Held*, in equity, that B's administrator could not be compelled to account to A for the moiety of the sum due from B's estate by cancelling and delivering up the notes. *Robinson v. Swift*, 3 Vt. 377.

16. *Aliter*, had C's executor been insolvent, or had he colluded with the administrator of B. *Ibid.*

17. Where a promissory note was executed to a *feme covert* and her husband, and he died, *held*, that said note survived to the wife, and that she, and not the administrator, had the right to indorse it. *Richardson v. Daggett*, 4 Vt. 336.

18. A co-signer of a promissory note, who is only a surety for the other signer may be appointed an agent by the creditor to collect the note from the other signer. *Williams v. Baldwin*, 7 Vt. 503.

19. Where one receives a negotiable promissory note in payment of an account for labor bestowed upon any article, whether the note was payable on demand, or at a future time, or whether negotiated or not, it was held to be a waiver of any lien upon the article. *Pickett v. Olcott*, 4 Vt. 549.



20. A, being indebted to B, procured C to execute his note to B for the amount of the debt, at the same time promising B to see the note paid. B received the note, and after it became payable A indorsed his name in blank on the back of it, according to his aforesaid verbal promise. *Held*, that A, by his indorsement, assumed an absolute responsibility, and became liable as an original signer of the note. *Knapp v. Parker*, 6 Vt. 642.

21. A negotiable note in the hands of the payee, overdue, is to be considered the same as any other debt not negotiable. The maker will be held as the trustee of the payee, unless he have notice of the transfer before the trustee action is brought. *Hinsdill v. Safford*, 11 Vt. 309.

22. A held certain promissory notes against B, which were secured by mortgage. A afterwards gave up these notes to B, upon his executing new ones for the sum due, but without any intention on the part of A of affecting his mortgage security. *Held*, that this exchange of notes did not defeat the mortgage so as to enable the creditors of B to levy on the mortgaged estate. *Dana v. Binney*, 7 Vt. 493.

23. A executed a note to B, which B sold to C and received the amount, of which C immediately notified A. *Held*, that A could not be considered a trustee of B, on the ground that B made the sale, intending to abscond and defraud his creditors; that, as neither A nor C was indebted to B, and neither the note nor the amount due them was held for his benefit in any way, they were not his trustees. *Hutchins v. Hawley et al.*, 9 Vt. 295.

24. The maker of a promissory note made payable to the wife during coverture, for her separate property, is not liable to an action as trustee of the husband. *Parks v. Cushman*, 9 Vt. 320.

25. In an action on a promissory note, given by an infant for the purchase of a house and lot, which was secured by a mortgage on said land, *held*, that the infant cannot avoid the mortgage and affirm the deed, and that, as the contract was voidable only, it must be disaffirmed within a reasonable time after he becomes of age, or else it will be binding. *Richardson v. Bought*, 9 Vt. 368.

26. Where several signers of a note, "each as principal," promise to pay, &c., they are, as between them and the payee, to be considered as principals, and no one of them can avail himself of the rights of a surety, and avoid his liability on the ground of delay of payment being granted on the note, even though it was agreed that he was only a surety, and this was known by the payee. *Claremont Bank v. Wood et al.*, 10 Vt. 582.

27. A and B were indebted in the same sum each to C, and it was agreed that they would give their joint notes for both of the debts. A executed the notes which were received by C, and B afterwards signed them. *Held*, that this was the same as if B had signed the notes when they were made. *Hinsdill v. Safford*, 11 Vt. 309.

28. A promissory note given in payment of a preëxisting account is to be considered as "made and entered into" with reference to the defendant's having the benefit of the poor debtor's oath. *Beckwith v. Houghton*, 11 Vt. 602.

29. If a person not a party to a note signs his name on the back, without any explanatory words as to the nature of his undertaking, he is to be considered a joint promisor with the other signers, and if any of them are merely sureties he is considered a surety with them. *Flint v. Day*, 9 Vt. 345.

30. T. & D. executed a bond to E. to indemnify him against all claims, &c. due from the firm of E., T., & D. This firm executed notes to E. & L., and failed to pay them at maturity. Held, that E. might pay the notes, and recover on his bond, and his being a member of both firms did not alter the case. *Emerson v. Torrey & Dudley*, 10 Vt. 323.

31. By the statute of 1836 the maker of a promissory note cannot be held as the trustee of the payee, if the note has been indorsed to a *bonâ fide* indorsee, before due, though no notice of the transfer has been given to the maker before the action was brought. *Hinsdill v. Safford et al.*, 11 Vt. 309; *Little v. Hale*, 11 Vt. 482.

32. If a note payable on contingency is assigned, for a valuable consideration, during the contingency, and while a trustee suit under the statute of 1797 is pending, and notice is given to the maker, the assignee acquires a right to the note, and the maker cannot be adjudged trustee of the payee, though the note becomes payable absolutely before judgment is rendered upon the trustee's disclosure. *Burke v. Whitcomb*, 13 Vt. 421.

33. The interest of the holder of a negotiable promissory note, while still current, is not attachable by the trustee process. *Hutchins v. Evans*, 13 Vt. 541.

34. If one of three principals of a joint and several note deliver to the payee other notes, the avails of which the payee agrees to indorse on his note when collected, still said avails may, before such indorsement, be, by consent of said signer, applied afterwards to other debts of his, notwithstanding, by a private contract, said signer had agreed with the other signers to pay this note, unknown to the payee. *Pinney v. Bugbee*, 13 Vt. 623.

35. One (not the payee) who writes his name in blank on the back of a negotiable promissory note, may always show, by parol, the extent of his contract. *Sandford v. Norton*, 14 Vt. 228; *Barrows v. Lane*, 5 Vt. 161; *Knapp v. Parker*, 6 Vt. 642; *Flint v. Day*, 9 Vt. 345.

36. The maker of a promissory note, payable *on demand* to one or order, is liable as trustee of the person for whose benefit the note was taken, when it is shown that the note remained in his hands two months after its date. *Camp v. Scott*, 14 Vt. 387.

37. The payee of a note, after having taken security of the principal, may give up such security, and call upon the undersigner of the note, provided he acts in good faith, and only with reference to his own interest. *Crane v. Stickles*, 15 Vt. 252; *Bank of Montpelier v. Dixon*, 4 Vt. 587.

38. The payee of a note is not obliged to regard the directions of the surety. *Ibid.*

39. Chancery will not relieve the maker of a note, given upon the

compromising and settlement of a suit brought for the *bonâ fide* purpose of a recovery, and in which there was evidence tending to prove the allegation on which it was founded, unless it appeared that the maker was incapable of understanding the nature, extent, and effect of the business he was transacting, or was so overreached as to make the retaining of the note unconscionable. *Paris v. Dexter*, 15 Vt. 379.

40. The holders of a promissory note, executed in the State of Massachusetts and made payable to citizens thereof, although the maker reside in this State, are not subject to the trustee process upon said note, it being by the law of the place of contract exempt from such process. *Baylies v. Houghton*, 15 Vt. 625.

41. When one of two defendants, sued jointly in assumpsit on a note, pleads and proves his discharge in bankruptcy, the court will not direct the plaintiff to become nonsuit as to such defendant, nor order a discontinuance of the suit as to him. *Brown v. Munger*, 16 Vt. 12.

42. It is only when the plaintiff neglects to appear, or neglects to comply with some of the orders of court, that he is ever ordered to become nonsuit against his will. *Ibid.*, per Hebard, J.

43. If the payee of a note, at the time of its execution, offer to receive payment at a place, or in a manner, different from the terms of the note, this offer is no part of the contract contained in the note, and, being upon no other consideration, is revocable at will till performed. Afterwards it ceases to be without consideration, or revocable, and will operate to discharge the note. *Follett v. Eastman*, 16 Vt. 19.

44. Where, in case of a note payable at the Bank of Burlington, the payee offers to receive payment by the defendant's inclosing to him, by mail, the amount due on the note, and does not recall his offer, and the money is mailed accordingly, it will be at the payee's risk, and the note will be discharged; but if not mailed before the note arrives at maturity, it will be at the risk of the debtor. *Ibid.*

45. Under the statute of 1841, a negotiable promissory note will be holden by trustee process as the property of the payee, unless notice of its transfer have been given to the maker previous to the service of the trustee process, notwithstanding the note may have been payable at a particular bank, and in fact negotiated at that bank for a valuable consideration, while still current. *Kimball v. Gay*, 16 Vt. 131.

46. A person who indorses his name upon a promissory note in blank, not being the payee, is *primâ facie* holden as a joint promisor. *Strong v. Riker*, 16 Vt. 554; *Barrows v. Lane*, 5 Vt. 161; *Knapp v. Parker*, 6 Vt. 642; *Flint v. Day*, 9 Vt. 345.

47. Such indorsement, however, may be controlled by oral evidence of the contract made at the time. *Strong v. Riker*, 16 Vt. 554; *Sandford v. Norton*, 14 Vt. 228.

48. Where a citizen of this State purchased goods in B., of a merchant residing there, and afterwards, in this State, executed a negotiable promissory note for the amount of the purchase, which note was made payable to the vendor at a place within this State; *Held*, that the maker of the note might be held as trustee of the payee of the note, in an action brought in this State by a creditor of the payee,—no notice of a

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transfer of the note having been given to the maker. *Chase v. Haughton*, 16 Vt. 594.

49. A contract between A, the owner of a note, and B, that B may take the note, and collect it at his own expense, and have one half of what he collects, vests no interest in the note in B, nor does it preclude A from collecting the note if he has an opportunity. *Manwell v. Briggs*, 17 Vt. 176.

50. The case of *Sandford v. Norton*, 14 Vt. 228, so far as it decides in reference to the liability of one, not party to a note, who indorses it in blank, commented upon and examined by Williams, C. J. *Sandford v. Norton*, 17 Vt. 285.

51. Where the maker of a note, who has obtained his discharge in bankruptcy, promises to pay such note, the moral obligation to pay his debts previously contracted furnishes a sufficient consideration for such promise to render him liable on the note, and such promise may be proved by parol. *Farmers v. Flint*, 17 Vt. 506; *Walbridge v. Harroon*, 18 Vt. 448.

52. But this new promise does not revive the original *negotiable* character of the instrument. It is a promise to the party alone to whom it is made, and is not negotiable or assignable, so as to permit recovery thereon, in the name of a third person. *Walbridge v. Harroon*, 18 Vt. 448.

53. The Vermont statute of 1821, which imposed a penalty for being party to a fraudulent note or judgment, continued in force until July, 1840, and all penalties incurred therefor prior to that time accrued subject to the provisions of that statute. *Webb v. Long*, 17 Vt. 587.

54. Under that statute, the amount of a judgment was forfeited, though but part of the consideration was fraudulent. *Ibid.*

55. An officer, who takes from the receiptor of property attached, a note in satisfaction of the receiptor's liability for having permitted the property to be wasted, in the absence of all authority from the creditor so to do, becomes himself the absolute owner of such note. *Boardman v. Roger*, 17 Vt. 589.

56. Where A deposited notes, against a third person, with B, for B to receive the money due upon them, and transmit the same to A, and B was summoned as trustee of A, and afterwards received money upon one of the notes, and after this B received notice from C that the notes had been sold by A to C, prior to the service of the trustee process upon B, and it appeared that the sale was in fact made to C before such service, though notice was not given till afterwards; *Held*, that B was not chargeable as the trustee of A. *Denison v. Petrie*, 18 Vt. 42.

57. The purchaser of land, who executes his promissory note therefor, and takes a deed with covenants of warranty, cannot, in an action upon the note, give in evidence, under the general issue, a breach of the covenant against encumbrances. *Alden v. Parkhill*, 18 Vt. 205.

58. A promissory note, payable to the payee or bearer, was executed prior to the Vermont statute of November 17, 1836, by which the proviso to the statute of 1798, giving to indorsees the right to sue in their

own names, was repealed. The payee had before executed to the maker a deed of land, with covenants of warranty, and there was an outstanding mortgage upon the land at the time of the execution of the deed. *Held*, that this breach of the covenant against encumbrances gave to the defendant a right against the payee to claim that the encumbrance should be removed, and the right to extinguish the covenant himself, at any time, and that this right had accrued prior to the statute of November 17, 1836, and so was within the saving clause of that statute. *Ibid*.

59. *Held*, also, that this right having so accrued to the defendant, he might plead in set-off to the note, when sued by a third person as bearer of the note, the amount paid by him to extinguish such outstanding mortgage, notwithstanding notice was given to the defendant of the transfer of the note to the plaintiff, prior to the payment being made by the defendant upon the encumbrance. *Ibid*.

60. And the defendant was allowed to plead such set-off, though it appeared that, at the time of the payment, he took an assignment to himself of the demands constituting the encumbrance. *Ibid*.

61. A judgment against one of two signers of a joint and several promissory note extinguishes the note as against him, but does not affect the liability of the other signer. *Sawyer v. White*, 19 Vt. 40.

62. And if the payee of such note indorse it in blank, and recover judgment in the name of a third person, but for his own benefit, against one of the signers, and obtain part satisfaction, he may yet deliver the note to another third person, for the purpose of collecting the balance from the other signer; and such other person may, by virtue of the same indorsement in blank, sustain an action in his own name against such other signer. The indorsement may be regarded as the indorsement of two several notes; and the judgment against one signer, in the name of an indorsee, for purposes of collection, only deprives the indorsement of effect as to that signer, but leaves it in force as against the other. *Ibid*:

63. (In Equity.) Where a note secured by a mortgage is paid in part, and a new note is given to the holder for the balance, and the parties agree that a new note shall be substituted in the place of the mortgage note, the holder may still hold the mortgage as security for the payment of the new one. *Dunshee v. Parmelee*, 19 Vt. 172.

64. (In Equity.) The neglect of the holder of a promissory note, secured by mortgage, to present the note for allowance by the commissioners appointed to receive and adjust claims against the estate of the deceased maker, does not preclude him from afterwards enforcing the mortgage security; it merely precludes him from claiming any dividend or portion of the assets of the estate in the hands of the administrator. *Grafton Bank v. Doe*, 19 Vt. 463.

65. The defendants executed a promissory note for \$1,000, upon the face of which they all appeared as principals, although two of them were really sureties, and made the note payable to the B. M. Co. or order, in six months; and it appeared that the payees knew that two of the signers were sureties, and also knew that the note was procured for

the purpose of enabling the principals to acquire a credit for the purchase of cloth ; and it also appeared, that the sureties signed the note for the express purpose of enabling the principals to obtain cloth of the B. M. Co. on credit, to the amount of the note ; but there was no evidence that this was known to the payees. The principals delivered the note to the payees, and received cloth, but not to the amount of the note, the payees being unable to furnish it ; and thereupon the plaintiffs delivered to the principals cloth to the amount of the balance of the note, and the payees, with the consent of the principals, agreed to hold the note, so far as that balance was concerned, for the benefit of the plaintiffs. *Held*, that the note thereby became operative, in the hands of the payees, for its full amount, and that the plaintiffs acquired an equitable interest in it to the amount of the balance for which cloth was not furnished by the payees. *Lyman v. Sherwood*, 20 Vt. 42.

66. And, the principals having paid to the payees of the note the amount which they had advanced upon its credit, *held*, that they might legally transfer the note to the plaintiffs by indorsement, and that the plaintiffs might sustain an action thereon in their own names, and for their own benefit, and that it made no difference, in this respect, that the note was indorsed when overdue. *Ibid*.

67. *Held*, also, that an indorsement of the note in these words : " Pay the within balance to L. & C., without recourse to the B. M. Co. (Signed) S. B., Agent," — was sufficient in *form*, as an indorsement by the corporation, there being no question as to the *authority* of B. to act as agent in the matter. *Ibid*.

68. Where there is a joint action against several defendants, counting upon a promissory note, and all the defendants but one suffer a default, and that one takes a trial, the effect is to suspend judgment against the other defendants until the result of the trial is ascertained ; and if the plaintiff obtain a verdict, he is then entitled to a joint judgment against all the defendants. *Fletcher v. Blair*, 20 Vt. 124.

69. One who writes his name upon the back of a note, if he were not before a party to it, assumes the same obligation as if he wrote his name upon the face of the instrument ; and although he do this long after the making of the note, it makes no difference ; if he consent to be thus bound, and induce others to take the note under that expectation, he will be estopped from denying that fact, and will be treated, to all intents, the same as if he had signed the note in its inception. But the signature being blank, he may undoubtedly show by parol the real obligation intended to be assumed at the time of signing. *Sylvester v. Downer*, 20 Vt. 355.

70. And if the note be subsequently indorsed, the person thus signing may be sued in the name of any person into whose hands the note may fall in circulation. *Ibid*.

71. (In Equity.) Where the orators, together with their father, executed a promissory note to the defendant, the orators signing as " sureties," under an agreement that the note should not be delivered, nor become operative, until certain specified conditions were performed by the defendant ; and the father, who signed as principal, mortgaged

certain premises to secure the payment of the note ; but the defendant, without the consent of the orators, obtained possession of the note and mortgage, and then refused to perform the conditions ; *Held*, that the defendant should be enjoined from negotiating the note, or enforcing its collection, as against the orators. *Chase v. Torrey*, 20 Vt. 395.

72. (In Equity.) Where the holder of a promissory note, not negotiable or negotiated, has lost it, he may bring a bill for discovery, alleging a defect of proof at law, by reason of its loss, with a prayer for relief, and an affidavit of its loss. The offer of indemnity in the bill is not necessary unless the note be negotiated. *Hopkins v. Adams*, 20 Vt. 407.

73. And where, in the case of a negotiated note, the orator made no offer of indemnity in his bill, and refused to give indemnity, but there was something suspicious about the account he gave of the loss of the note, and the defendants resisted payment of the note mainly on the ground that they were entitled to indemnity before payment, but did not, at the commencement of the suit, pay the money into the court and move for an indemnity, and it appeared that the note, at the time of hearing, had been outstanding long enough to be barred by the statute of limitations, the court decreed that payment should be made without indemnity, and that the costs should be taxed for neither party. *Ibid*.

74. The owner of a lost note, not negotiable, may recover its amount upon proving its execution, delivery, and terms, and its loss, without proof of its destruction ; and this recovery may be had on the count for money had and received. *Hough v. Barton*, 20 Vt. 455.

75. (In Equity.) Where several promissory notes are secured by the same mortgage, and the mortgagee has assigned to one person the note first becoming payable, and has assigned the residue of the notes, together with the mortgage, to another person, the assignee of the first note is entitled to the benefit of the mortgage security equally with the holder of the other notes. *Hall, J. Belding v. Manly*, 21 Vt. 550.

76. But a tender by the holder of the first note to the holder of the other notes of the amount due on such other notes, accompanied with a demand for a transfer of the mortgage, will be construed as an admission that the person to whom the tender is made has a prior lien, under the mortgage, for the payment of his notes, and will preclude the holder of the first note from afterwards making any claim inconsistent with such admissions. *Ibid*.

77. But the holder of the first note in such case is entitled to claim the full benefit of the mortgage security, as against the mortgager and all persons claiming under him. *Ibid*.

78. And the holder of the first note, in such case, upon a bill brought against the mortgager and his assignees, and against the holder of the other notes, who has also taken a subsequent mortgage of the same premises, will be allowed, upon paying the holder the amount due upon such other notes, to enforce his lien upon the entire mortgaged premises, against all the defendants, as security for the payment of all the mortgage notes. *Ibid*.

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79. If the holder give up by mistake a note unpaid, he may bring an action for money had and received for the balance due, when the note was given for money loaned. *Vermont State Bank v. Stoddard*, Brayton, 24.

80. Where the payee lost a note given for the balance due on a sale of land, *held*, that a recovery might be had, founded upon the original indebtedness, as it did not appear that the note was negotiable, or that, if negotiable, it had been negotiated. *Lazell v. Lazell*, 12 Vt. 443.

81. The indorsee of a negotiable note may recover the amount of such note, in an action against the maker, upon the general counts for money had and received, and the rule applies where the indorsee holds the note in trust for the purpose of collection only. *Chase v. Burnham*, 13 Vt. 447; *Sandford v. Norton*, 14 Vt. 228.

See *Banks and Banking*, 10; *Validity*, 14; *Construction*, 3; *Notes payable in Specific Articles*, 3; *Negotiability and Transfer*, 14, 15, 19; *Defences*, 21, 46; *Pleadings and Evidence*, 12, 13, 51, 100, 139, 149, 192.

## 2. Of Indorsers, Guarantors, and Sureties.

1. If an indorser will endeavor to avoid his promise to pay his debt, made after notice of non-payment by the maker, on the ground of deceit, through his being kept in ignorance of laches in the holder, by which, in law, he was discharged from his liability as indorser, the burden of proof rests on him. *Nash v. Harrington*, 1 Aik. 39.

2. A contract made between the indorser and indorsee of a promissory note, at the time of the indorsement, that the indorsee shall not prosecute the maker of the note within a certain limited time, takes the case out of the law merchant; and if, at the expiration of such time, the indorsee use due diligence in his pursuit of the maker of the note, and fail of collecting it, the indorser is liable. *Marsh v. Badcock*, 2 D. Chip. 124.

3. If an indorsee give time of payment, the indorser is discharged. *Whittlesey v. Dean*, 2 Aik. 263.

4. The indorser of a note not negotiable, with blank indorsement, is considered as the drawer of a bill of exchange, the indorsee as payee, and the maker as drawee. *Aldis v. Johnson*, 1 Vt. 136.

5. The indorsee has no right to fill a blank indorsement with any special contract or warranty, but only with an order to pay him the contents, for value received. *Ibid*.

6. A, as surety, paid a note for B, and B agreed, "value received," to indemnify him therefor. In an action against B on the promise, *held*, that A should recover. *Lapham v. Barrett*, 1 Vt. 247.

7. If the surety execute his own separate note to the creditor for the amount due, and this be accepted by the creditor as payment, and the old debt be thereby satisfied, this will be considered the same as if so much money had been paid by the surety, and will support an action against the principal for money paid to his use. *Lapham v. Barnes*, 2 Vt. 213.

8. A became surety on a note for B, but, the payee being dissatisfied,



C also signed. C afterwards paid the note by giving his own therefor, and brought an action against A and B jointly for money paid, &c. *Held*, that the joint action could not be sustained. *Ibid*.

9. In such case C is entitled to recover against A only his proportion, but, if he would seek contribution from him, he must sue him alone. *Ibid*.

10. A became surety on a note for a debt due from B to C, and after the note became payable B agreed to pay the note to C, and to "save the said A harmless from his liability on said note"; *Held*, that A could not recover on the contract until he had sustained actual damage. *Admrs. of Pond v. Warner*, 2 Vt. 532. *Aliter*, had the contract been executed before the note became payable. *Ibid*.

11. The indorser is not discharged by the holder's receiving collateral security, unless he thereby suspends his right of action on the note. *Ripley v. Greenleaf*, 2 Vt. 129.

12. A became surety on a note of B payable to C, and B secured him therefor by a bill of sale of a chaise in possession of a third person, and of some other property left in possession of B. There was no change of possession, but notice of the transfer was given to the person holding the chaise, and he agreed to hold it for A. The chaise having been seized on an execution by a creditor of B, it was *held*, in an action of trespass against the officer, that A was entitled to hold the property assigned him until he was indemnified or relieved from the note, even though the note might be usurious. *Spaulding v. Austin*, 2 Vt. 555.

13. And though the property left in the possession of B was subject to execution, yet there was a sufficient transfer of the chaise to exempt it from the same, unless there was fraud, of which the jury were to judge from the circumstances. *Ibid*.

14. A and B became sureties for C, who secured them by a mortgage deed. Afterwards, C conveyed the mortgaged premises to A and D, with the condition that they were to pay off all encumbrances. A paid the note. A and B, the mortgagees, then brought an action of ejectment against the persons in possession of the aforesaid premises, and it was *held*, that the conveyance to A and D fully indemnified the plaintiffs for signing the note. *Harvey et al. v. Hurlburt et al.*, 3 Vt. 561.

15. An indorsement on a promissory note, written with a pencil, is valid, and renders the indorser liable. *Closson v. Stearns*, 4 Vt. 11.

16. A delay of the creditor to sue the principal of a promissory note, when requested by the surety so to do, does not thereby discharge the latter. *Hogaboom v. Herrick*, 4 Vt. 131.

17. A simple agreement between the creditor and a surety on a note, that the latter should be discharged from his liability, is without consideration and void. *Ibid*.

18. But if the agreement quiet the surety, so that he does not secure himself, and the principal becomes insolvent, is he not discharged, *quare*. *Ibid*.

19. Where the payees of a promissory note commenced a suit thereon without the request of the surety, and attached the property of the

principal, and afterwards dissolved the attachment and discontinued the suit, it was *held*, in an action against the surety on said note, that he was not released thereby from his liability on the note. *Bank of Montpelier v. Dixon*, 4 Vt. 587.

20. Where five sureties of an insolvent principal on a note confess a joint judgment, and execution issues, and four are committed to prison, and give separate bonds to the keeper of the jail, and then cause the property of the fifth to be taken to satisfy the execution, it was *held*, that he had an action against each of the four to recover a fifth part of the amount paid. *Foster v. Johnson*, 5 Vt. 60.

21. And in bringing such action for contribution, the plaintiff need not make a demand or give notice before its commencement. *Ibid.*

22. If A executes a note at the bank as surety for B and C, and B absconds before it falls due, and A, knowing the fact, calls on C, and, without informing him of it, gets him to renew the note, and A pays the bank the amount of the note, he can recover the same from C, even although, as between B and C, the latter was entitled to indemnity. *Warner v. Hall*, 5 Vt. 156.

23. Where A, one of two co-sureties, receives property of the principal to secure joint liability, it must be thus applied; and if B, the other surety, has to pay the note, he can recover in chancery against A from the fund. *Hinsdill v. Murray*, 6 Vt. 136.

24. In such case the court will follow up the fund even in the hands of third persons if it can without injury. *Ibid.*

25. Where the goods of the principal are seized and sold on execution, and the sheriff neglects to pay over the proceeds, and judgment is recovered against him therefor; *Held*, that this was no bar to an action against the surety. *Bank of Rutland v. Thrall*, 6 Vt. 237.

26. If A, a co-surety, receives property from the principal in failing circumstances, and gives B, the other surety, to understand it is to secure their joint liability, and B relies on the assurance, A will be responsible for the same, and cannot with the principal's assent apply it to a separate liability. *Hinsdill v. Murray*, 6 Vt. 136.

27. A requested B to take a note against C, and give it to D, to satisfy an execution which he held against A, but gave B no other authority, and, D refusing said note, B requested C to sign a note with him to D for the debt of A, which he did, and afterward paid the debt. *Held*, that C could not maintain an action against A, there being no privity between him and A. *Huntington et al. v. Wilder*, 6 Vt. 334.

28. If two sign a note as joint sureties, payment of the note by either will give a right of action in severalty against the principal. *Ibid.*

29. A, the maker of a promissory note, procures the same from B, the holder, to obtain the signature of C thereto as surety, who signs the same, but A now refuses to deliver it up; *Held*, that the surety is not liable to an action on the note. *Chamberlain v. Hopps*, 8 Vt. 94.

30. The promise of the principal to pay into the hands of his surety the amount for which the latter has become liable, whenever he shall be called on for payment, or shall doubt the ability of the principal to indemnify him, is a valid promise, on which an action can be sustained

by the surety, even though he has not paid any part of the debt. *Fletcher v. Edson*, 8 Vt. 294.

31. B became surety for A, who subsequently procured C to sign a promise of indemnity to B to secure him, there being no new consideration, and the obligation not having been entered into in pursuance of the original contract; *Held*, that the promise of indemnity was void for want of consideration. *Rix v. Adams et al.*, 9 Vt. 233.

32. The indorser of a promissory note promised the indorsee as follows: "I hereby guarantee to said R. the collection and payment of the above-described note, and agree to pay the same on condition that said R. does not call on me for payment till the 1st of May, 1831"; *Held*, that this was not an absolute promise, but that, if the indorsee should use reasonable diligence, and fail to collect the note, he would pay the same after May 1, 1831. *Russell v. Buck*, 11 Vt. 166; *Wheeler v. Lewis*, *Ibid.* 265.

33. When, by the special guarantee of a note, the purchaser is bound to collect the note with due diligence, and he has commenced an action thereon, if the suit fails on account of a defective service the guarantor is discharged. *Beach v. Bates*, 12 Vt. 68.

34. A written guarantee is good evidence against the signer of all the facts therein recited. *Peck v. Barney*, 12 Vt. 72.

35. A, being about to negotiate a purchase of B, made a note payable to the order of B, and procured C to sign the note, in blank, upon the back of it. *Held*, that C was liable to B as an original promisor. *Nash v. Skinner*, 12 Vt. 219.

36. Also, that declarations of C, made at the time he signed the note, that he only meant to become a second indorser, do not limit his liability unless made known to B previously. *Ibid.*

37. Forbearance to sue for an indefinite time, or a promise to remain surety for an indefinite time, is no sufficient consideration for a promise to pay the debt in the one case, or indemnify the surety in the other. *Rix v. Adams et al.*, 9 Vt. 233.

38. (In Equity.) After a debt has become due, a surety may resort to chancery to compel the principal to pay the debt, that the surety may be exonerated from liability. *Bishop v. Day et al.*, 13 Vt. 81.

39. Where the orator had given his promissory note to A, and B, C, and D had subsequently given their bond to indemnify him against such note; *Held*, that the obligors had made it their debt to pay, and that, as between the maker of the note and the obligors of the bond, they stood as principals, and the maker as surety, and that the right of principal and surety existed between them. *Ibid.*

40. A guarantor is entitled to notice of the acceptance of his guarantee. An acknowledgment by the defendant of his liability, and a promise to pay, supersedes the necessity of any further evidence of notice. *Peck v. Barney*, 13 Vt. 93.

41. A guarantor is not entitled to notice that the principal has not paid. *Ibid.*

42. Where a surety signed a joint and several promissory note with the principal, payable to A or bearer, with an understanding that B

should indorse it, and at the time of signing the surety was fully secured by the principal for signing, and B refused to indorse the note, and the principal afterwards, before the note became due, for a valuable consideration, transferred it to a stranger; *Held*, that such stranger could maintain an action in his own name, as bearer, against the principal and surety, to recover the amount of the note; and though the surety signed as an accommodation, yet as he had funds in his hands he cannot stand in a more favorable position than the principal. *Thrall v. Benedict et al.*, 13 Vt. 248.

43. If the creditor do some positive and conscious act, which has a tendency to impair his claims against the principal debtor, it will operate to release a surety who did not consent to such act. *Bank of Manchester v. Bartlett*, 13 Vt. 315.

44. A mere naked agreement between the creditor and debtor not to sue, will not release the surety. If the creditor put it out of his power to sue, by any contract with the principal debtor, made without the knowledge of the surety, the surety is thereby released. *Joslyn v. Smith*, 13 Vt. 353; *Hogaboom v. Herrick*, 4 Vt. 131.

45. Where a person sells a note payable at a future day, and gives a guarantee that it "is due, and that the maker has nothing to file against it," he is to be considered as referring to the time when the note arrives at maturity. *Adams v. Clarke*, 14 Vt. 9.

46. It is no waiver of a defence, on the part of a guarantor of a note, that he is advised, after giving the guarantee, of a state of facts which will be a defence for him, and omits to give the holder notice of them and of his intention to avail himself of them, in a case where there is no extension of credit given the maker of the note by reason of the guarantee. *Russell v. Buck*, 14 Vt. 147.

47. A mere collateral guarantor is entitled to reasonable notice of the default of the principal debtor, and if he does not receive it, he is exonerated to the extent of the loss he thereby sustains. *Sandford v. Norton*, 14 Vt. 228.

48. A mere collateral guarantee is not negotiable as between the parties; but if it be negotiated, as part of the original contract, to a *bonâ fide* holder, for value, *quære*, whether the guarantor will be holden as a joint promisor. *Ibid.*

49. Where the defendant proves the nature of his contract to have been a guarantee merely, it is at all events incumbent upon the holder of the note to show that he gave value for it, before he can claim any advantage above the person to whom the guarantee was made. *Ibid.*

50. Where two persons, one being principal and the other surety, executed a note for money borrowed, and the principal, without the knowledge of the surety, agreed to pay nine per cent. interest for the money, and afterwards made a payment of interest at that rate, and the sum paid was indorsed on the note, generally; *Held*, that the surety was not thereby discharged from his liability to pay the note. *Richmond v. Standcliff*, 14 Vt. 258.

51. The surety may at any time pay the note of the principal, and attach his property for his own benefit. *Crane v. Stickles*, 15 Vt. 252, per Hebard, J.

52. Where money is lent to the principal in a note, to be applied in payment of the note, and it is by him so applied, the law will not, in the absence of express proof, *imply* an authority, from those who signed the note as sureties only, to the principal, to borrow the money on the joint credit of the principal and sureties, nor a promise from the sureties to the lender to repay the money so borrowed. *Rolfe v. Lamb*, 16 Vt. 514; *Lapham v. Barnes*, 2 Vt. 213.

53. Where the holder of a note, of his own mere motion, commenced an action against both the principal and surety upon the note, and attached property of the principal sufficient to pay the note, and that was known to the surety to go back into the hands of the principal; *Held*, that the surety was not released from his liability, notwithstanding the principal subsequently became insolvent. *Baker v. Marshall*, 16 Vt. 522; *Bank of Montpelier v. Dixon*, 4 Vt. 587.

54. One who has, by signing his name in blank on the back of a note, become a guarantor, or a joint promisor by way of guarantee, may be sued in the name of the payee, when the note has not been negotiated, although the suit be for the benefit of a third person, and the defendant became holden for the benefit of such third person. *Strong v. Riker*, 16 Vt. 554.

55. Where a surety executed, with his principal, a note payable in one year after its date, and after the note became due the principal obtained his discharge under the late bankrupt law, and the surety did not prove his contingent claim against the principal, and after such discharge the surety paid the note, it was *held* that such discharge was no bar to an action in favor of the surety, against the principal, to recover the money so paid. *Wells v. Mace*, 17 Vt. 503.

56. In such action, the declaration being for money paid by the plaintiff for the defendant, at his request, the moral obligation of the defendant to indemnify his surety is sufficient foundation for implying, in law, the request alleged. *Ibid*.

57. Where several trustees disclose a joint indebtedness to the principal, and one of them claims that the principal is indebted to himself and a third person as partners, such trustee will not be allowed to set off his claim against the joint indebtedness of himself and the others. *Ibid*.

58. In case of guarantee that a demand against a third person is or shall be good and collectable, the condition is implied that the person taking such guarantee shall use all reasonable diligence to collect the demand of the debtor. *Sylvester v. Downer*, 18 Vt. 32.

59. (In Equity.) If one sign or indorse a note, as surety for several joint principals, and one of the principals dies, the surety, having paid the debt, may claim a dividend from the estate upon the entire debt, notwithstanding he may hold collateral security for his liability. Where the security is merely collateral, a court of equity will not compel its application merely for the purpose of reducing a dividend, unless the debtor stands in the relation of co-surety. *West v. Bank of Rutland*, 19 Vt. 403.

60. Where one summoned as a trustee had, previous to the service of the trustee process upon him, signed a promissory note as co-surety with

the principal defendant, and he paid the note after the trustee process was served upon him, it was *held*, that he was entitled to deduct from the funds in his hands one half of the amount so paid, being the amount for which he was entitled to call upon the principal defendant for contribution as co-surety. *Strong v. Mitchell*, 19 Vt. 644.

61. But he was not allowed to deduct from the funds in his hands the amount of a note due from the principal defendant to a third person, which he had promised to pay for the principal defendant prior to the service of the trustee process, but which promise was void by the statute of frauds. *Ibid*.

62. An indorsement made on the back of a note, in the form of a guarantee, will render the payee liable, as indorser, to any subsequent holder of the note, upon proof of the proper demand and notice. *Partridge v. Davis*, 20 Vt. 499.

63. And the maker of such indorsement is also liable as guarantor, without proof of demand and notice, if the note be not paid at maturity. *Davis, J. Ibid*.

64. Such guarantee passes with the note, so that any subsequent *bonâ fide* holder has the right, as well against the guarantor as against the maker, that appertained to the person to whom the note was first assigned. *Davis, J. Ibid*.

65. If a creditor, without the consent of a surety, make a binding contract with the principal to extend the time of payment, the surety is discharged. It is not necessary that the contract should be such as to prevent the creditor from sustaining an action at law on the debt until the enlarged time of payment; but it is sufficient if the contract be such as to give the principal a legal remedy upon it. *Austin v. Dorwin*, 21 Vt. 38.

66. The payment of usurious interest upon a debt is a sufficient consideration for a promise for forbearance; and such promise, so made, will discharge the surety. *Ibid*.

67. A payment upon the debt, also, before it becomes due, will support such promise and discharge the surety. *Ibid*.

68. Where the plaintiff and defendant were co-sureties upon a promissory note, and the plaintiff had obtained from the principal a lease of certain premises, and, in consideration of the demise, covenanted in the lease that he would pay the note in question, and thereupon took possession of the premises, and subsequently paid the note, and the premises were in fact subject to a prior mortgage, which had become absolute at the time of the execution of the lease, and the mortgagee immediately thereafter brought his bill, and obtained a foreclosure of the equity of redemption, and also brought his action of ejectment against the plaintiff, and recovered judgment for the possession and for the rents and profits during the time the plaintiff had retained possession; *Held*, that the plaintiff might recover against his co-surety, in an action for money paid, one half of the amount so paid by him upon the note, the principal having become insolvent. *Prindle v. Page*, 21 Vt. 94.

69. And the plaintiff having in fact paid the note after the commencement of the action of ejectment against him, and at or about the time of

the recovery in the same ; *Held*, that the presumption must be, that he paid the note by reason of his original liability as surety, and not by reason of any supposed liability arising from his covenant in the lease. *Ibid*.

70. A requests B to indorse his note at the Bank of T. for \$2,000, and, in order to secure B, procures C to sign a note with him, payable to B, for the sum of \$2,000, and delivers the note to B. Afterwards, A wishes B to indorse again for him at the same bank for \$2,000. B indorses, and A pledges the same note, as security, for the second indorsement. On C's being inquired of, by B, whether A had a right thus to pledge the note, he replied that he was liable on the note to B, and that A might thus pledge it. Afterwards, A procures B to indorse, for him, a blank note, which A fills up, to the Farmers' Bank, for \$2,000, and with the proceeds pays the note to the Bank of T., the said note signed by A and C still remaining in the hands of B. B is compelled to pay the last note to the Farmers' Bank, and it was *held*, that the note signed by A and C, in the hands of B, was a continued guarantee to the amount of the same, and remained as security, generally, for any sum A might procure of B, or by means of B's name as surety, to the amount of \$2,000. *Adams v. Clark*, Brayton, 196.

See *Rights and Liabilities*, 27, 30 ; *Equities and Defences ; Pleadings and Evidence*, 41, 47, 162, 163, 165.

### 13. Actions on Bills and Notes.

#### 1. When and by whom maintainable.

1. A note promising to pay A, administrator of B, a sum of money, may be sued in the name of the executors of A after A's decease. *Bot-tam v. Morton*, Brayton, 108.

2. An action cannot be sustained by a town treasurer, as such, on a note of hand given to him as town treasurer. *Hinds v. Stone*, Brayton, 230.

3. An action cannot be maintained on a note of hand, which is in the following words : "For value received, I promise to pay J. B. sixteen, the first day of May next, with interest," — parol evidence not being admissible to explain such patent ambiguity ; but the payee must resort to the original contract, treating the note as a nullity. *Brown v. Bebee*, 1 D. Chip. 227.

4. An action of assumpsit will lie against a corporation on a promissory note, or other simple contract, made by their agent, duly authorized to make such contract. *Proctor v. Webber*, 1 D. Chip. 371.

5. Where B. executed his note of the following tenor : "(Arlington, Sept. 27th, 1808.) For value received, I promise to pay L. S., Town Treasurer, or his successors in office, eighty-four dollars, twenty-seven cents" ; — *Held*, that the town of A. could maintain an action on the note against B. *Arlington v. Hinds*, 1 D. Chip. 431 ; *McFarland v. McLaughlin*, 2 D. Chip. 90.

6. A as surety for C executed with him a joint and several note to the Bank of B., which the bank refused to discount. C thereupon went with

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the note to D, telling him it would be discounted the next week, upon which D advanced the money to C, sent the note again to the bank, and it was again refused. D then desired that the note might remain in the bank for collection, for his benefit; after which A gave notice to the bank that, if it was not discounted, he wished it might not be done. In an action on the note against A, in the name of the bank, for the benefit of D, *held*, that, though D could not have compelled the bank to assent to the transaction, or authorize the suit, yet the bank, by complying with the request of D, must be considered as having adopted the payment of D, and might maintain the action against A. *Bank of Burlington v. Beach*, 1 Aik. 62.

7. Whether an action can be sustained on a negotiable instrument without producing it on trial, or common law proof of its destruction and contents, *quære*. *Wright v. Jacobs*, 1 Aik. 304.

8. A *non-negotiable note*, assigned in pledge as additional security of a debt collateral to a mortgage, may be collected by the assignee, notwithstanding the foreclosure of the mortgage. *Strong v. Strong*, 2 Aik. 373.

9. After judgment by default in an action on a promissory note, the court granted a new trial, where it appeared that the consideration of the note proved much less than was represented at its making, and that this fact was not known to the defendant in time to make it a defence against judgment. *Burnham & Mayo v. Brewster*, 1 Vt. 87.

10. A note made payable to M. R. or bearer may be sued without indorsement by a *bonâ fide* bearer. *Matthews v. Hall*, 1 Vt. 316.

11. A, B, and C jointly own a lot of goods, and agree to an auction sale of the same on credit, notes to be received therefor payable to the bearer, and they further make D their bearer, and authorize him to collect the notes for their common benefit. B becomes purchaser; *Held*, that D can recover the amount of the note from him in a suit at law. *Smith v. Burton*, 3 Vt. 233.

12. Where certain notes were duly executed and placed in the hands of a third person till after the performance of a certain condition, *held*, that no action would lie on the notes, though brought for the benefit of the holder, who had an interest in them. *Jarvis v. Rogers*, 3 Vt. 336.

13. The statute of October 29th, 1811, directing where certain suits shall be brought, to recover for goods sold and delivered, does not apply to a promissory note for goods sold, &c. *Wainwright v. Berry*, 3 Vt. 423.

14. A note given on a condition which was afterwards voided was transferred by the payee to a third person, and judgment recovered thereon; *Held*, that an action of *trover* would lie against the payee for the amount of the note; and if it was of any importance to the defendant, he should have produced a copy of the record of the judgment. *Buck v. Kent*, 3 Vt. 99.

15. A is entitled to recover from B the amount of notes made payable to B for A's sole benefit. *Smith v. Woods*, 3 Vt. 485.

16. After the decree of foreclosure, the mortgagee can maintain an action at law on the note, &c., secured by the mortgage, for the amount



of the sum due above the value of the estate ; but in so doing the foreclosure is opened, and the mortgager can redeem by paying the note with interest and costs. *Lovell v. Leland*, 3 Vt. 581.

17. A promissory note made payable on a certain contingency cannot be sued before that contingency happens. *Henry v. Colman*, 5 Vt. 402.

18. Where A received the note of C as security for the note of B, which he held, though it is greater than his own claim, yet he may bring an action on his own note without previously restoring the note of C, held as security. *Chapman et al. v. Clough*, 6 Vt. 123.

19. A executed a note with and for B, an infant, who turned out a stove therefor to A, with license to take it away when he pleased. The note being unpaid, A took away the stove, for which B brought trespass ; *Held*, that the contract was voidable only, and good until avoided, and that the action would not lie. *Hoyt v. Chapin*, 6 Vt. 42.

20. Where A, who had two claims against B, with the note of C as security for the one, and a pledge of property as security for the whole, promised C that, on the sale of the pledge, he would reserve enough to pay both demands, and, having sold the same, did not retain enough of the avails to satisfy the demand secured by the note, it was *held*, that A could not recover from C in an action on the note. *Strong et al. v. Wooster*, 6 Vt. 536.

21. A, one of three members of a well-known partnership, bought a horse, and gave his individual note therefor. In an action on said note against the firm, *held*, that the partners were not liable, though the proceeds of the sale of the horse went into the partnership fund. *Holmes v. Burton et al.*, 9 Vt. 252.

22. An action is maintainable upon a promissory note voluntarily given up to the maker. *Reynolds v. French*, 8 Vt. 85.

23. Where certain sums were subscribed by individuals toward building a State-House, *held*, that an action could be maintained thereon in the name of the State Treasurer. *State Treasurer v. Cross et al.*, 9 Vt. 289.

24. An administrator, in his representative capacity, as bearer, may maintain an action on a promissory note payable to the intestate or bearer, although such note was not delivered until after the death of the intestate. *Baxter v. Buck*, 10 Vt. 548.

25. The payee or indorsee cannot maintain an action on a promissory note before it is due. *Harrington v. Rathbun*, 11 Vt. 58.

26. When a second mortgagee, who has also purchased the equity of redemption, has paid the notes in the first mortgage, no action on the paid notes can be maintained against the original debtor or his sureties. *Viles et al. v. Moulton*, 11 Vt. 470.

27. The indorsee of the administrator of the payee of a promissory note may maintain an action upon such note in his own name, without a profert of the letters of administration, or alleging, by whom they are granted. *Cahoon v. Moore*, 11 Vt. 604.

28. The assignee for value of a note not negotiable may maintain an action in his own name against the debtor upon his promise to make payment to the assignee. *Hodges v. Eastman*, 12 Vt. 358.

(Continued on p. 955.)

## BANK STATISTICS.

## BOSTON BANK DIVIDENDS.

*Capital, Undivided Profits in 1851, and Dividends of the Boston Banks.*

<i>Banks.</i>	<i>Capital.</i> 1852.	<i>Profits.</i> 1851.	<i>Years.</i>		<i>April,</i> 1851.	<i>Oct.,</i> 1851.	<i>April,</i> 1852.
			1849.	1850.			
Market Bank, . . .	\$ 560,000	\$ 103,000	10	10	5	5	5
Boylston Bank, . . .	250,000	22,000	8	9	4½	4½	4½
Freeman's Bank, . . .	250,000	38,000	9	9	4½	4½	4½
Atlantic Bank, . . .	500,000	89,000	8	8	4	4	4
Bank of Commerce, . .	1,500,000	30,000	.	new	5	4	4
Bank of North America, .	500,000	10,000	.	new	3½	3½	4
Boston Bank, . . .	900,000	89,000	8	8	4	4	4
Cochituate Bank, . . .	150,000	8,000	new	7	4	4	4
Exchange Bank, . . .	1,000,000	61,000	8	8	4	4	4
Globe Bank, . . .	1,000,000	125,000	8	8	4	4	4
Granite Bank, . . .	650,000	42,000	7	7	3½	3½	4
Grocers' Bank, . . .	300,000	14,000	8	8	4	4	4
Hamilton Bank, . . .	500,000	78,000	7	7	4	4	4
Mechanics' Bank, . . .	150,000	14,000	8	8	4	4	4
Merchants' Bank, . . .	3,000,000	384,000	8	8	4	4	4
New England Bank, . .	1,000,000	98,000	8	8	4	4	4
Shawmut Bank, . . .	500,000	63,000	7½	8	4	4	4
Shoe and Leather Bank, .	1,000,000	97,000	8½	8½	4	4	4
Tremont Bank, . . .	1,000,000	87,000	7½	8	4	4	4
Traders' Bank, . . .	600,000	43,000	8	8	4	4	4
Union Bank, . . .	1,000,000	123,000	7	8	4	4	4
Atlas Bank, . . .	500,000	32,000	7	7	3½	3	3½
City Bank, . . .	1,000,000	102,000	7	7½	3½	3½	3½
Columbian Bank, . . .	500,000	26,000	7½	7	3½	3½	3½
Eagle Bank, . . .	500,000	45,000	7	7	3½	3½	3½
North Bank, . . .	750,000	52,000	6½	7	3½	3½	3½
State Bank, . . .	1,800,000	185,000	7	7	3½	3½	3½
Washington Bank, . . .	500,000	22,000	6	6	3	3	3½
Blackstone Bank, . . .	250,000	. . .	.	.	.	new	3
Faneuil Hall Bank, . . .	500,000	. . .	.	.	.	new	3
Massachusetts Bank, . .	800,000	48,000	6	6	3	3	3
Suffolk Bank, . . .	1,000,000	324,000	10	10	5	5	5
Total capital, 1852, . . \$ 24,410,000							

For statements of dividends for the years 1847-48, and for quotations of bank stock for 1851, see current volume, pp. 416, 750.

*The Suffolk Bank Defalcation.*

On Wednesday, the 24th of March, a defalcation was discovered in the cash account of Mr. Charles H. Brewer, the Receiving Teller of the Suffolk Bank of Boston. He was arrested on that day on board the Cunard steamer at New York, then about to depart for Liverpool. A preliminary examination has been held before the Police Court of Boston, when it was proved that on the 9th of March he received \$7,000, March 20th, \$5,597, and other sums, which were not entered upon his cash-book. These sums were, however, posted to the credit of the proper parties, on the ledger, by Mr. Rand, the Book-keeper; showing that, by collusion between these two officers, extensive frauds had taken place.

Mr. Rand made his escape in the steamer for Liverpool. Mr. Brewer is confined in the jail of this city.

The aggregate deficiency at the Suffolk Bank, through the defalcation of the teller and book-keeper, is nearly ascertained. The bank has declared a dividend for the past six months. It will be difficult, for some time to come, to ascertain the whole loss. The purloining process may have been in operation for two or three years, and may yet result in a heavier loss than stated. It is possible, and in fact easy, for parties situated as Brewer and Rand were, to keep up such frauds, by collusion, for a series of years. The teller, for instance, may receive a deposit of \$20,000, and pocket the funds for joint account, without entering on his deposit book. The book-keeper may then enter it upon his ledger to the credit of the depositor, and at the end of the month force his balance-sheet, so that the fraud could not be detected.

And, indeed, this species of fraud could be kept up for years, unless the system were adopted which exists in many well-managed banks, viz. no book-keeper has charge of the same ledger for a longer period than one month. Of course the ledger entries of book-keeper A are revised and checked the following month by book-keeper B, so that a collusion such as has lately occurred would be entirely prevented. This system of checks is essential not only in banking institutions, but in insurance companies and large mercantile houses.

The following is a condensed statement of the condition of the Suffolk Bank at the last printed Report:—

LIABILITIES.		ASSETS.	
Capital, . . . . .	\$1,000,000	Loans, . . . . .	\$1,577,996
Circulation, . . . . .	269,616	Real estate, . . . . .	100,000
Due to other banks, . . . . .	2,103,428	Due from other banks, . . . . .	852,133
Individual deposits, . . . . .	152,858	Notes of other banks, . . . . .	999,050
Profits undivided, . . . . .	324,060	Specie in the vault, . . . . .	220,783
Total liabilities, . . . . .	\$3,849,962	Total assets, May, 1851, . . . . .	\$3,849,962

The loss of the Suffolk Bank by the recent defalcation has now been ascertained by a committee of Directors to be \$214,500. The Board have declared a dividend of five per cent., as for some years past, leaving a surplus fund at this period of about \$140,000.

The trial of Mr. Brewer, the late Teller, has been postponed for a short time.

## BANK ITEMS.

MAINE.—The following new banks were incorporated at the late session of the legislature, only a portion of which, it is believed, will go into operation, — each with a capital of \$50,000.

- |                                   |                                  |
|-----------------------------------|----------------------------------|
| 1. Bank of Hallowell, Hallowell.  | 7. Lumbermen's Bank, Oldtown.    |
| 2. Bowdoinham Bank, Bowdoinham.   | 8. Orono Bank, Orono.            |
| 3. City Bank, Bath.               | 9. People's Bank, Damariscotta.  |
| 4. City Bank, Bangor.             | 10. Georges Bank, Thomaston.     |
| 5. Cobbossee Bank, Gardiner.      | 11. Richmond Bank, Richmond.     |
| 6. Lewiston Falls Bank, Lewiston. | 12. Winthrop and Readfield Bank. |

The Calais Bank at Calais, and the Ticonic Bank at Waterville, are authorized to increase their capital \$25,000 each.

MASSACHUSETTS.—The Bank Commissioners have instituted a suit against the Cochituate Bank, claiming to recover \$1,000, under a charge of having "over-loaned" moneys to two of its Directors, contrary to law, — though they admit, as we understand, the undoubted soundness of the bank. By a vote of the stockholders, the Directors were entitled to an aggregate of some \$50,000 more than they have had at any one time. The Commissioners take a technical advantage of a temporary loan, for the day, on some checks which have not been sent into other banks, which were abundantly fortified by good collateral securities.

Boston.—William T. Andrews, Esq., has been elected President of the City Bank, Boston, in place of Charles W. Cartwright, Esq., resigned.

**Haverhill.** — An attempt to rob the Merrimac Bank, Haverhill, was made a short time since. The lock of the outside door was bored off, and nine holes drilled in the iron door of the vault; when, it is supposed, the burglars were alarmed by a light kindled in an adjoining house, and fled. The inner door of the vault is of chilled iron, and must have resisted all attempts to force it, in case the first had been entered. The burglars fled over the toll-bridge to their carriage, which it appears had been left on the Bradford side.

**Attleboro.** — Laban M. Wheaton, Esq. has been elected President of the Attleboro Bank, in place of Samuel Carpenter, Esq., resigned.

**NEW YORK.** — The Bank of Saratoga Springs was fully organized on the 31st of March. The following gentlemen were elected Directors, viz.: — J. R. Westcott, J. Beckman Finlay, Thomas J. Marvin, Samuel Freeman, W. L. F. Warren, J. M. Marvin, J. M. Davison, A. Rockes, and Thomas McDonnell, of Saratoga Springs; Robert McDonnell and Joseph Daniels, of Greenfield; Joseph Baucus, of Northumberland; and Thomas Mairs, of Galway. The whole amount of stock was subscribed for by the Directors for the purpose of facilitating its organization. The bank will go into operation on the 1st of May next, when a call of 50 per cent. is made payable. Stockholders are at liberty to pay in the whole amount at that time. The remaining 50 per cent. is chargeable with interest after that day.

**LOUISIANA.** — *New Orleans.* — Christopher Adams, Esq. has been elected President of the Union Bank of Louisiana, New Orleans.

**Citizens' Bank.** — The legislature having removed from the Bank the penalty of forfeiture for suspension of cash payments, the following notice has been recently issued by the Cashier: —

“*Citizens' Bank of Louisiana, March 25, 1852.*”

“A meeting of the stockholders of this bank will be held at the banking-house on Monday, the 3d of May next, between 10 o'clock, A. M. and 2 o'clock, P. M., for an election of three commissioners, in conformity with the 3d section of an act entitled ‘An Act for the relief of the Citizens' Bank of Louisiana,’ passed on the 10th of March, 1852, — when the stockholders are requested to attend, either in person or by proxy.

By order,

EUG. ROUSSEAU, Cashier.”

**NORTH CAROLINA.** — Thomas H. Hardenbergh, Esq., for some years Teller of the Branch Bank of Cape Fear, at Washington, has been appointed Cashier of that bank, in place of Benjamin Runyon, Esq.

**BANK DIVIDENDS.** — *Baltimore.* — Marine Bank, 4 per cent. Farmers and Merchants' Bank, 4 per cent. (State taxes paid by both.)

*New York City.* — Mechanics' Bank, 5 per cent. Fulton Bank, 5 per cent. National Bank, 5 per cent. Bank of New York, 5 per cent. Union Bank, 5 per cent. Mechanics and Traders' Bank, 6 per cent.

**BROKEN BANKS.** — All claims against the People's Bank of Paterson must be presented before the 15th of May. Jacob Van Arsdale, Receiver, Paterson.

*Perth Amboy.* — The time fixed by the Receivers of the Commercial Bank of Perth Amboy, for the presentation of notes and other claims, expired on the 22d of April.

*Hamilton Bank.* — Alfred Bosworth of Warren, R. I., Receiver of the Hamilton Bank, Rhode Island, gives public notice that the outstanding notes of that bank, and other claims, must be presented on or before the 1st of June next, or they will be excluded by law from any participation of the assets.

**NOTICE.** — We are obliged, for the want of space, to defer until another No. various bank returns, notices to correspondents, and a variety of miscellaneous paragraphs and bank items.

The “Interest” table, from our Bridgeport correspondent, will be attended to.

## Notes on the Money Market.

BOSTON, APRIL 24, 1852.

*Exchange on London, 60 days, 8½ to 9½ per cent. premium.*

Money has gradually become more abundant since February last, with present indications of greater ease for the coming season. The rates on loans have fallen from week to week, accompanied by unerring signs of continued and increased abundance of capital in the large cities, and of general prosperity throughout the country. Business paper of a good character can now be readily negotiated in private hands at 6 a 7 per cent. The banks of New York and Boston are enabled to enlarge their accommodations to their customers, and business paper at 4 a 6 months is in better demand.

Loans on stock collaterals, repayable on demand, can be obtained at 5½ a 6½ per cent.; the New York rate being about one per cent. lower than at Boston on all descriptions of loans, permanent and temporary.

There is a marked increase in the demand for all classes of public securities, accompanied with an increase in prices. Manufacturing stocks have more particularly felt the improved condition of the money market. In several instances the advance in cotton stocks is equivalent to 10 or 20 per cent. within the last six weeks. During the last week in March the average price of 38 manufacturing stocks at the Boston stock board was 18 to 22 per cent. discount. These may now be quoted at about 10 per cent. discount, and in several cases a fair premium is demanded.

Railroad dividend-paying stocks and railroad mortgage bonds are in better favor. These securities have been for twelve or eighteen months at a ruinous depression. Capitalists are now turning their attention to such loans, and prices have advanced rapidly. Bank stocks in the Boston market are scarce, and few are for sale. This is a favorite species of investment for Massachusetts capital, and changes hands but little. Although the Boston banks have paid an average dividend of only 3.89 per cent. for the six months, the average price of their stocks at this date is 105 a 106 per cent. To show that these stocks are much sought after as permanent investments, we state that out of 411,700 shares in this State, 210,700 were (according to a late return) held by men, 58,600 by women, 46,000 by trustees and guardians, 27,800 by savings institutions, 52,800 by insurance companies, and 15,800 shares by other parties. Of the whole number of shareholders, the proportion owning 1 to 5 shares was 44 per cent. (nearly one half); 5 to 10 shares, 24 per cent.; 10 to 20 shares, 16 per cent.; 20 to 50 shares, 11 per cent.; and over 50 shares, only 1,293 persons (or 5 per cent.).

In New York the banks have a better field of operations; a greater accumulation of capital on deposit; more extended line of discounts; and, as a consequence, larger profits. The improved condition of the money market is exhibited by nothing in a stronger light than in the recent returns of the New York city banks, which we condense, as follows:—

	Sept., 1849.	Sept. 27, 1851.	Dec. 20, 1851.	March 30, 1852.
Capital, . . . . .	\$25,068,000	\$34,603,000	\$35,133,000	\$35,187,000
Circulation, . . . . .	5,980,000	7,300,000	7,070,000	7,570,000
Deposits, . . . . .	23,400,000	36,800,000	34,800,000	43,600,000
Due to banks, . . . . .	12,390,000	11,000,000	11,070,000	13,600,000
Specie, . . . . .	8,020,000	6,030,000	7,360,000	9,700,000
Loans, . . . . .	51,000,000	65,400,000	64,100,000	72,800,000

Sterling exchange has gradually fallen, until it has now reached nine per cent., which is about one half per cent. below the actual par. Not only have the shipments of specie hence to Europe ceased, but there are slight indications of a return of portions of the gold coin which was exported last year. The arrivals of gold from California are at the rate of four millions per month, nearly all of which at present is retained for banking purposes, for general circulation, and for use in the arts.

Sound State stocks are in active demand, both for investment and for banking. United States six per cents of 1867 are firm at 118-120; Virginia six per cents, 109-110, which is a large advance upon the price realized by the State in 1851. Missouri six per cents command 2 a 3 per cent. premium. This State has a public debt of less than two millions of dollars, a large portion of which is now invested in the Bank of the State. The bonds of the State of Alabama, due in May, will be renewed, and the time of payment extended as their terms authorize. Indiana and Illinois bonds are also improved in market value, and are more in demand for the home and the foreign markets. Sales of the new United States five per cent. loan issued to Texas have recently been made at 105 a 106. It is not long since the government six per cents were dull in sale without any premium.

Capital in England is abundant at 2 a 3 per cent. Deposits on demand with bankers command only 1 per cent. interest. Hence we find that sound American securities are in better demand at advanced rates. State stocks, city stocks, railroad mortgage bonds, and other loans of an established order, find ready sale in the English markets, as yielding an interest which few of their own public securities produce.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. I. NEW SERIES.

JUNE, 1852.

No. XII.  
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THE BANK OF ENGLAND.

ON Tuesday, April 13, 1852, the election for Governor and Deputy-Governor of the Bank of England for the year ensuing took place, when Thomson Hankey, Jr., Esq. was chosen Governor, and John Gellibrand Hubbard, Esq. Deputy-Governor. On Wednesday, the 14th of April, came on the election for twenty-four Directors for the year ensuing, when the following gentlemen were elected : —

\* Thomas Baring,  
\* Henry Wollaston Blake,  
Henry Hulce Berens,  
Arthur Edward Campbell,  
\* William Cotton,  
Bonamy Dobree,  
Charles Pascoe Grenfell,  
\* John Benjamin Heath,

\* Charles Frederick Huth,  
\* George Lyall, Jr.,  
James Malcolmson,  
\* Thomas Masterman,  
\* Alexander Matheson,  
\* James Morris,  
Sheffield Neave,  
\* George Warde Norman,

\* John Horsley Palmer,  
\* Sir John Henry Pelly, Bart.  
\* Henry James Prescott,  
\* Thomas Charles Smith,  
William Thompson,  
Thomas Tooke, Jr.,  
\* Thomas Matthias Weguelin,  
\* Francis Wilson.

Those marked with a star, and the following eight gentlemen, composed the Board for the year 1851 – 52, the Governor and Deputy-Governor being the same as for the current year (ending April, 1853) : —

Edward Henry Chapman,  
Robert Wigram Crawford,  
B. Buck Greene,

John Oliver Hanson,  
Kirkman Daniel Hodgson,  
Henry L. Holland,

Thomas W. Hunt,  
Alfred Latham.

The general management of the Bank is vested in the Board or "Court of Directors," who meet weekly, when a statement is exhibited of the condition of the Bank, — its securities, bullion, liabilities. By the charter of 1844, a weekly statement is published for the information of the public.

Eight of the directors go out annually, and are succeeded by eight  
VOL. I. 78

new ones, elected by the Court of Proprietors. A list of the eight new candidates is recommended by the Board, and transmitted to the proprietors, and is usually confirmed at the election. Quakers and Hebrews are not eligible as directors, although there are many of these in London familiar with the financial affairs of the metropolis of the country.

When an individual is proposed as a new director, inquiry is always made as to his private character. The qualification for a seat at the Board is the possession of Bank stock to the amount of £2,000; for a deputy-governor, £3,000; and for the governor, £4,000. The governor or deputy-governor, one of whom presides daily, assisted by a select committee of three directors, conducts the ordinary business in the intervals between the sittings of the Court. The treasury committee consists of the governor, deputy-governor, the directors who have previously held the governor's chair, and the gentleman next in rotation for the deputy-governorship.

A proprietor must hold stock to the amount of £500 to entitle him to a vote, and must have held his stock six months prior to the election. A banker is not admitted to a seat in the direction.

The cashier or his deputy must reside within the walls of the Bank. The apartments appropriated to this officer are refurnished in handsome style on the appointment of a new cashier.

Mr. J. Horsley Palmer, who for some years held the place of Governor of the Bank, was of opinion that the rate of interest should never be reduced below four per cent.; but such has been the accumulation of capital since the crisis of 1847, that the Board have felt the necessity of reducing the interest gradually, until it is now fixed at two per cent.

The profits of the Bank in its early years were larger than at later periods; the dividends having been for the first ten years as follows:—1697, 8 per cent.; 1698, 7 per cent.; 1699, 9½ per cent.; 1700, 10½ per cent.; 1701, 9 per cent.; 1702, 12 per cent.; 1703, 16½ per cent.; 1704, 15½ per cent.; 1705, 15½ per cent.; 1706, 18½ per cent.

From 1733 to 1746, 5½ per cent. per annum; 1747 to 1752, 5 per cent.; 1753 to 1763, 4½ per cent.; 1765–66, 5 per cent.; 1766 to 1780, 5½ per cent.; 1782 to 1787, 6 per cent.; 1788 to 1799, 7 per cent. In 1797 the Bank suspended specie payments. From that period until the resumption in 1822, the profits were larger, viz.:—1797 to 1806, 7 per cent.; 1808 to 1822, 10 per cent.; 1823 to 1838, 8 per cent.; 1839 to 1849, 7 per cent.

Bonuses were paid to the proprietors, in addition to the ordinary dividends, viz.:—

1799, . . . . . 10 per cent.	1804, . . . . . 5 per cent.	1816, . . . . . 25 per cent.
1801, . . . . . 5 "	1805, . . . . . 5 "	1847, . . . . . 1 "
1802, . . . . . 2½ "	1806, . . . . . 5 "	

From 1773 to 1821 the rate of interest was 5 per cent.; in 1822, altered to 4 per cent.; in 1825, when the pressure was very great, 5 per cent.; in 1828, 4 per cent.; in 1836, July 21, 4½ per cent., and on the 1st of September, 1836, advanced to 5 per cent. It was soon after

this (May, 1837) that the paper of the American bankers in London was rejected, and three of them failed on the 1st of June following.

In 1838 the rate was reduced again to 4 per cent.; in May, 1839, advanced to 5 per cent., in June to  $5\frac{1}{4}$ , and in August to 6 per cent.; in 1840 the rate was reduced to 5, and in 1842 to 4 per cent.; in August, 1844,  $2\frac{1}{2}$  a 3 per cent.; 1845,  $2\frac{1}{4}$  per cent.; 1846,  $3\frac{1}{2}$  per cent. It was during the years 1844-45, when interest was so low and capital so abundant, that such large subscriptions were made to railroad schemes, and other undertakings, producing in 1847 a commercial crisis, whereby the Bank of England came near a second suspension. Exchange between New York and London was then 105 per cent.

The prices of Bank stock have fluctuated largely, according to the commercial affairs of the country. In 1761-62 sales were made at 91 to 98, which was the only period when the stock was below par, subsequent to the year 1732.

In the speculative times of 1806-1822 the shares advanced largely, but with great fluctuations during each year. In 1806, sales from 191 to 223 per cent.; 1809, 235 to 288 per cent.; in 1818, 207 to 292 per cent. During that period of sixteen years the dividend prevailed at ten per cent. The latter quotation of this stock is, we believe, the highest on record since the original charter of the institution, with the exception of one short period in the disastrous year 1825, when sales varied from 191 to 299 per share for £ 100 paid in. The lowest point since was 156, in the year 1840, and the highest 225, in the year 1834.

As a general rule the three per cent. consols keep pace with Bank stocks in the market.

We quote prices, since 1846, as follows:—

Bank Stock.		Consols.		Bank Stock.		Consols.	
Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1846 . . . 211	199	97 $\frac{1}{4}$	93 $\frac{1}{4}$	1849 . . . 200	188 $\frac{1}{4}$	93 $\frac{1}{4}$	85 $\frac{1}{4}$
1847 . . . 206 $\frac{1}{4}$	180	93 $\frac{1}{4}$	79 $\frac{1}{4}$	1850 . . . 216	204 $\frac{1}{4}$	97 $\frac{1}{4}$	93
1848 . . . 202	183	89 $\frac{1}{4}$	80	1851 . . . 216 $\frac{1}{4}$	210	98 $\frac{1}{4}$	96 $\frac{1}{4}$

Bank stock reached 220 during the month of April, 1852.

The *London Times*, in noticing the rise in consols to par, says:—  
 "This is the highest price that has been reached since June, 1845, when the quotation was 100 $\frac{3}{4}$ , after having, in the previous month of December, been 101 $\frac{1}{4}$ . The 3 $\frac{1}{2}$  per cents had then recently been reduced to 3 $\frac{1}{4}$  per cents for ten years, and 3 per cents thereafter, and the Bank rate of discount was the same as at the present time, namely, 2 $\frac{1}{2}$  per cent. The stock of bullion, however, was much lower, its amount being about £ 16,000,000."

The Bank of England, on account of the influx of gold, have reduced the rate at which they buy American eagles from £ 3 16s. 2 $\frac{1}{2}$ d. to £ 3 16s. 1 $\frac{1}{2}$ d. per ounce, being a reduction of 1d. sterling. In relation to this matter the *London Times* says:—

"The stringency with which the Mint is enforcing its rules, with reference to the receipt of gold ingots inferior to the standard, has caused a slight alteration to become necessary in the rate at which the Bank of England purchases American and French gold coin. Hitherto the prices paid have been £ 3 16s. 2 $\frac{1}{2}$ d. per ounce for American



eagles, and £3 16s. 2d. for French 20-franc pieces; but these left no margin (except an insufficient one of  $\frac{1}{4}$ d. in the latter case) for the expense of the refining process, which is requisite before they can be coined into sovereigns.

"That expense amounts to about 1d., and hence, under the prospect of continuous arrivals, such as to render the point one of importance, the purchasing rate for the future will be reduced to £3 16s. 1 $\frac{1}{4}$ d., which will equally apply to American eagles, French pieces, and Dutch guilders. With regard to the purchase of gold ingots, it is understood also that the Bank will take them 'at the rate of £3 17s. 9d. per ounce of standard gold' only when the parcel shall in the aggregate be of a quality equal or superior to the standard of 22 carats fine, and be fit for coinage without going through the process of refining. For the convenience of the sellers, however, the Bank will purchase gold ingots of a quality not under 21 carats fine, on receiving an allowance equivalent to the expense of raising it to standard."

### THE BANK OF ENGLAND.

#### Comparative Statement of the Bank in the Years 1847, 1850, 1851, and 1852.

##### ISSUE DEPARTMENT.

	Nov., 1847.	Mar. 16, 1850.	Mar. 15, 1851.	April 17, 1852.
Notes issued, . . . . .	£ 23,525,845	£ 30,436,570	£ 27,711,690	£ 33,080,270
Government debt, . . . . .	11,015,100	11,015,100	11,015,100	11,015,100
Other securities, . . . . .	2,994,900	2,994,900	2,994,900	2,994,900
Gold coin and bullion, . . . . .	8,315,633	16,209,493	13,678,315	19,046,896
Silver bullion, . . . . .	1,210,212	277,077	33,375	33,375
Total securities, . . . . .	£ 23,525,845	£ 30,436,570	£ 27,711,690	£ 33,080,270

##### BANKING DEPARTMENT.

Proprietors' capital, . . . . .	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve, . . . . .	3,623,323	3,507,959	3,616,367	3,094,923
Public deposits,* . . . . .	7,219,802	8,542,182	8,227,999	3,265,286
Other deposits, . . . . .	7,866,432	10,260,861	9,287,626	13,906,918
Seven-day bills, &c., . . . . .	881,324	1,051,558	1,024,992	1,166,306
Total liabilities, . . . . .	£ 31,143,931	£ 38,005,560	£ 36,710,174	£ 35,936,432

##### ASSETS.

Government securities, . . . . .	£ 10,633,607	£ 14,418,854	£ 14,146,250	£ 13,395,779
Other securities, . . . . .	18,791,117	11,322,296	12,904,218	11,086,331
Bank-notes on hand, . . . . .	4,228,096	11,477,696	8,956,255	11,024,320
Gold and silver coin, . . . . .	491,112	736,715	704,451	430,002
Total assets, . . . . .	£ 31,143,931	£ 38,005,560	£ 36,710,174	£ 35,936,432

AUSTRALIAN GOLD. — The *London Globe* of the 4th of April has the following: —

"The packet ship *Hero*, from Melbourne, has arrived off the coast, with, it is reported, £200,000 in gold on board, from the Victoria diggings, and she will be followed by several other vessels. The receipts of Australian gold have, during the past week, been about £400,000, in addition to the present arrival, which makes a total of £600,000 from Sidney and Melbourne in the short space of a week, making the total receipts from those colonies about £4,000,000 during the last two months."

\* Including Exchequer Bills, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

## BANK OF ENGLAND RATE OF INTEREST.

*Rate of Interest charged by the Bank of England, from 1694 to 1852, with the Amount of Bullion held by the Bank when the several Changes in the Rate took place.*

<i>From</i>	<i>Per cent.</i>	<i>Bullion.</i>	<i>From</i>	<i>Per cent.</i>	<i>Bullion.</i>
1694. Aug. 8, on foreign bills,	£ 6	. . .	1839. Aug. 1, on bills and notes		
1694. Aug. 30, do.	4½	. . .	(95 days to run), £ 6	£ 3,000,000	
1694. Oct. 24, on inland bills,	6	. . .	1850. Jan. 23, on 65 day bills,	5	4,000,000
1805. Jan. 16, on foreign bills,	6	. . .	1840. Oct. 15, on 95 do.	5	4,250,000
Do. (customers) do.	3	. . .	1841. June 3, do.	5	4,500,000
Do. on inland do.	4½	. . .	1842. April 7, do.	4	7,000,000
1805. May 19, on foreign bills,	4	. . .	1844. Sept. 5, on bills,	2½	15,900,000
Do. on foreign bills,	5	. . .	Do. on notes,	3	. . .
1704. Feb. 28, on foreign bills,	5	. . .	1845. Mar. 13, minimum rate,	2½	15,900,000
1710. June 22, on for. and inl. do.	4	. . .	1845. Oct. 16, do.	3	14,100,000
1716. July 26, on bills and notes,	5	. . .	1845. Nov. 6, do.	3½	13,700,000
1719. Apr. 30, on bills,	5	. . .	1846. Aug. 17, do.	3	16,000,000
1720. Oct. 27, do.	4	. . .	1847. Jan. 14, do.	3½	13,900,000
1722. Aug. 23, on inland bills,	5	. . .	1847. Jan. 21, do.	4	13,440,000
Do. on foreign bills,	4	. . .	1847. April 8, do.	5	9,800,000
1742. Oct. 18, do.	5	. . .	1847. Aug. 5, do.	5½	9,252,000
1744. Dec. 12, do. (15 days to run),	4	. . .	1847. Sept. 23, do.	6	8,790,000
Do. on inland bills,	5	. . .	1847. Oct. 25, do.	8	8,312,000
1746. May 1, on foreign bills,	5	. . .	1847. Nov. 22, do.	7	10,000,000
Do. on bills and notes			1847. Dec. 2, do.	6	11,000,000
(95 days to run),	4	. . .	1847. Dec. 23, do.	5	12,236,000
1822. June 20, do.	5	£ 11,000,000	1848. Jan. 27, do.	4	12,900,000
1825. Dec. 13, do.	5	2,500,000	1848. June 16, do.	3½	14,100,000
1827. July 5, do.	4	10,400,000	1848. Nov. 2, do.	3	13,390,000
1836. July 21, do.	4½	5,500,000	1849. Nov. 22, do.	2½	16,300,000
1836. Sept. 1, do.	5	5,250,000	1850. Dec. 26, do.	3	14,900,000
1838. Feb. 13, do.	4	10,400,000	1851. Jan. 1, do.	2½	17,500,000
1839. May 16, do.	5	5,500,000	1852. Apr. 22, do.	2	19,500,000
1839. June 20, do.	5½	4,500,000			

**THE LONDON MINT.** — By the following extract from the report of Sir J. Herschel, Master of the Mint, it appears that the Mint authorities themselves are not certain of the correctness of the construction which they put upon the act of Parliament, in relation to the reception of gold for refining: —

"A question connected with the conditions on which gold was to be received at the Mint for coinage also required careful consideration. Much doubt existed as to what could or should not be deemed gold bullion fit for coinage, and proper to be received.

"It appeared obvious that it never could have been intended that the Master of the Mint should be required to convert into coin, at the public expense, gold requiring to be refined before it was fit for that purpose, and, acting under proper advice in preparing the regulations which have received your Lordships' sanction for the receipt of gold bullion for coinage, I inserted the condition that the gross weight of all the ingots delivered to be coined without charge must not exceed their standard weight. If at any time a legal difficulty should be experienced in maintaining this condition, it will be necessary to request the interference of Parliament; for, if a wider interpretation of the act of Parliament were admitted, gold would very probably at the present time be sent to the Mint to be coined, not because coin was wanted, but that it might be refined at an expense to the public greatly exceeding that for which the same quantity of gold not requiring refining could be coined."

## BANK STATISTICS.

## GEORGIA.

*Bank of the State of Georgia and Branches.*

LIABILITIES.	Oct., 1845.	April, 1846.	Oct., 1847.	Dec., 1850.	April, 1852.
Capital stock, . . . . .	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Circulation, . . . . .	518,823	733,510	866,852	2,398,379	1,940,395
Individual deposits, . . . .	398,453	464,136	386,020	894,255	652,960
Bank balances, . . . . .	. . . . .	57,952	56,270	. . . . .	. . . . .
Balances between branches, .	5,774	472,732	364,050	. . . . .	. . . . .
Surplus profits, . . . . .	80,128	89,242	86,910	91,010	188,010
Total liabilities, . . . . .	\$ 2,503,178	\$ 3,317,572	\$ 3,260,702	\$ 4,803,644	\$ 4,181,365
RESOURCES.	Oct., 1845.	April, 1846.	Oct., 1847.	Dec., 1850.	April, 1852.
Notes discounted, . . . . .	\$ 1,212,050	\$ 1,317,147	\$ 1,322,474	\$ 1,485,864	\$ 1,518,017
Bills of exchange, . . . . .	172,873	419,524	276,032	1,421,120	1,455,506
Stocks, bonds, &c., . . . .	363,185	333,776	369,306	171,395	80,190
Real estate, . . . . .	163,040	156,103	148,970	126,280	115,676
Bank balances, . . . . .	57,593	96,363	217,133	342,044	3,200
Balances between branches, .	. . . . .	474,010	353,694	483,392	478,920
Notes of other banks, . . . .	34,907	93,473	82,442	147,626	83,355
Specie on hand, . . . . .	466,567	395,246	466,347	618,773	446,464
Miscellaneous, . . . . .	32,963	31,930	24,304	7,180	36
Total resources, . . . . .	\$ 2,503,178	\$ 3,317,572	\$ 3,260,702	\$ 4,803,644	\$ 4,181,365

Net profits, \$ 188,010; from which deduct a dividend of four per cent., or \$ 60,000, leaving undivided profits, \$ 128,000, or 8½ per cent. of capital stock, April 5, 1852.

*Mechanics' Bank, Augusta, Ga.*

LIABILITIES.	April, 1846.	Oct., 1847.	April, 1850.	Dec., 1850.	April, 1852.
Capital, . . . . .	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Circulation, . . . . .	665,038	565,570	1,026,952	1,296,596	879,830
Individual deposits, . . . .	91,638	164,985	247,587	432,064	263,714
Bank balances, . . . . .	69,933	43,218	249,073	166,244	176,678
Undivided profits, . . . . .	122,156	114,013	176,416	161,791	161,822
Miscellaneous, . . . . .	. . . . .	1,232	. . . . .	830	8,376
Total liabilities, . . . . .	\$ 1,448,765	\$ 1,389,018	\$ 2,200,027	\$ 2,567,515	\$ 1,990,420
RESOURCES.	April, 1846.	Oct., 1847.	April, 1850.	Dec., 1850.	April, 1852.
Notes discounted, . . . . .	\$ 724,664	\$ 363,560	\$ 319,588	\$ 696,168	\$ 300,870
Bills of exchange, . . . . .	446,062	372,313	1,318,748	1,361,868	1,230,176
Georgia and Augusta bonds, .	. . . . .	142,390	62,252	20,000	. . . . .
Real estate, . . . . .	. . . . .	70,132	55,565	47,000	40,000
Bank balances, . . . . .	. . . . .	115,347	10,808	111,773	64,165
Notes of other banks, . . . .	124,914	23,970	80,335	118,980	93,043
Specie on hand, . . . . .	152,698	239,780	345,925	210,436	272,090
Miscellaneous, . . . . .	407	61,526	6,806	1,300	1,300
Suspended debt, . . . . .	. . . . .	. . . . .	. . . . .	. . . . .	28,786
Total resources, . . . . .	\$ 1,448,765	\$ 1,389,018	\$ 2,200,027	\$ 2,567,515	\$ 1,990,420

Dividend, April, 1852, 10 per cent.; leaving undivided profits, \$ 111,822, or twenty-two per cent. of capital.

OHIO.

*Capital, Circulation, Specie, and Loans of the New Banks established under the General Banking Law of Ohio, February, 1852.*

	Capital.	Circulation.	Specie.	Loans.
1. Bank of Marion, . . . . .	\$ 30,900	\$ 36,800	\$ 10,600	\$ 78,000
2. Champagne Co. Bank, Urbana, . . . . .	24,560	20,000	5,100	60,000
3. Citizens' Bank, Steubenville, . . . . .	30,000	. . .	3,600	49,000
4. Franklin Bank, Portage Co., . . . . .	15,000	12,800	3,600	21,000
5. Forest City Bank, Cleveland, . . . . .	20,000	18,100	3,300	21,000
6. Iron Bank, Ironton, . . . . .	15,000	22,100	4,700	59,000
7. Merchants' Bank, Massillon, . . . . .	15,000	24,800	6,900	37,000
8. Miami Valley Bank, Dayton, . . . . .	25,000	53,000	17,000	85,000
9. Pickaway Co. Bank, Circleville, . . . . .	22,650	39,800	11,200	117,000
10. Springfield Bank, . . . . .	21,595	45,000	7,400	60,000
11. Stark Co. Bank, Canton, . . . . .	15,000	15,000	5,000	27,000
12. Union Bank, Sandusky, . . . . .	35,000	9,500	2,400	88,000

Besides the above, the following are now in process of formation, and will probably commence business in June or July, 1852:—

Name.	Location.	Capital.	Name.	Location.	Capital.
Bank of Medina,	Medina,	\$ 25,000	Merchants' Bank,	Toledo,	\$ 25,000
Bank of Uricksville,	Tuscarawa Co.,	100,000	Northwest. Bank of Ohio,	Toledo,	25,000
Bank of Commerce,	Cleveland,	25,000	Savings Bank,	Cincinnati,	25,000
Drovers' Bank of Hudson,	Summit County,	30,000	Tradesmen's Bank,	Cleveland,	25,000

PENNSYLVANIA.

*Comparative Condition of the Banks of Pennsylvania, 1847, 1848, 1849, 1850, 1851.*

LIABILITIES.	Nov., 1847.	Nov., 1848.	Nov., 1849.	Nov., 1850.	Nov., 1851.
Capital, . . . . .	\$ 21,585,700	\$ 21,462,870	\$ 18,478,352	\$ 18,675,484	\$ 18,896,187
Circulation, . . . . .	13,737,597	9,992,894	11,885,780	11,968,214	11,933,456
Bank balances, . . . . .	4,338,073	3,392,418	4,024,905	5,889,691	4,148,640
Deposits, . . . . .	15,009,370	12,845,904	15,412,236	17,719,244	15,871,548
Contingent fund, . . . . .	1,893,329	1,435,703	1,926,523	1,737,515	1,862,107
Discounts, . . . . .	704,560	243,350	535,454	795,120	796,341
Profit and loss, . . . . .	478,998	569,480	490,270	554,536	650,138
Due the Commonwealth, . . . . .	467,960	361,068	618,561	422,372	650,604
Relief circulation, . . . . .	640,381	26,606	60,619	2,543	45,113
Miscellaneous, . . . . .	811,047	454,027	45,756	803,290	504,551
Suspense account, . . . . .	19,146	318,734	12,302	19,858	. . .
Dividends unpaid, . . . . .	273,009	346,277	390,180	224,789	281,201
Total liabilities, . . . . .	\$ 59,959,230	\$ 61,449,381	\$ 53,380,968	\$ 68,532,251	\$ 56,618,886
RESOURCES.	Nov., 1847.	Nov., 1848.	Nov., 1849.	Nov., 1850.	Nov., 1851.
Bills discounted, . . . . .	32,152,451	\$ 28,001,130	\$ 32,949,260	\$ 36,408,022	\$ 35,708,794
Specie and Treasury-notes, . . . . .	7,362,659	6,801,078	6,260,741	7,212,920	6,635,730
Bank balances, . . . . .	3,993,740	2,953,176	3,059,636	4,663,194	3,808,439
Bank notes and checks, . . . . .	3,060,730	2,367,118	2,874,376	2,519,620	2,436,146
Real estate, . . . . .	1,104,375	1,158,196	1,207,961	1,008,534	998,970
Bonds, mortgages, . . . . .	1,333,726	1,145,690	2,270,538	1,653,971	2,399,936
Stocks, . . . . .	2,300,012	2,395,462	2,120,734	1,699,868	1,501,966
Exchange, . . . . .	1,069,635	906,795	1,194,221	1,930,887	273,854
Expenses, . . . . .	98,217	31,294	65,220	95,520	107,258
Post notes, . . . . .	628,955	280,182	404,293	440,578	656,860
Loans, . . . . .	1,949,648	1,316,436	796,591	746,932	691,454
Miscellaneous, . . . . .	4,685,062	4,092,834	177,395	147,205	351,450
Total resources, . . . . .	\$ 60,969,230	\$ 61,449,381	\$ 53,380,968	\$ 68,532,251	\$ 56,618,886

## TABULAR STATEMENT OF THE CONDITION OF THE BANKS OF PENNSYLVANIA, NOV., 1851.

From the Official Report of the Auditor of State.

Resources.	Bills discounted	Specie and Tf. Notes.	Due by Banks.	Notes and Checks.	Real Estate and Per. Prop.	Bonds, Mort- gages, &c.	Stocks.	Total Resources.
Bank of Pennsylvania, . . . . .	\$ 2,925,621	\$ 640,333	\$ 282,895	\$ 196,352	\$ 90,624	\$ 121,642	\$ 20,150	\$ 4,292,903
Philadelphia Bank, . . . . .	2,141,788	413,341	70,498	272,492	66,500	2,000	25,360	3,482,048
Bank of North America, . . . . .	2,002,905	517,526	138,932	272,209	45,932	688,508	71,325	3,686,945
Commercial Bank of Pennsylvania, . . . . .	1,648,705	213,239	67,207	153,748	55,647	1,500	108,556	2,338,144
Farmers and Mechanics' Bank of Philadelphia, . . . . .	2,528,089	496,892	125,621	511,465	66,519	13,053	151,756	4,193,307
Girard Bank, . . . . .	1,462,266	449,394	1,116,771	. . . . .	. . . . .	611,471	. . . . .	2,539,883
Southwark Bank, . . . . .	707,104	266,678	11,852	1,249	15,000	. . . . .	20,260	1,116,639
Bank of Commerce, . . . . .	600,261	336,732	19,453	. . . . .	11,000	. . . . .	. . . . .	974,002
Mechanics' Bank of City and County of Phila., . . . .	1,663,038	412,949	72,657	. . . . .	43,665	14,620	23,867	2,256,594
Western Bank of Philadelphia, . . . . .	1,132,276	206,933	104,319	161,624	22,000	15,960	938	1,664,637
Bank of the Northern Liberties, . . . . .	840,515	174,350	76,497	198,799	15,213	. . . . .	212,914	1,532,989
Bank of Penn Township, . . . . .	752,994	265,137	48,167	. . . . .	20,002	5,300	6,247	1,135,917
Manufacturers and Mechanics' Bank, N. L., . . . . .	681,415	169,056	45,466	. . . . .	26,852	1,583	7,909	945,936
Kensington Bank, . . . . .	641,134	101,972	12,702	50,351	11,764	. . . . .	86,064	977,557
Tradesmen's Bank of Philadelphia, . . . . .	223,263	161,718	5,911	17,557	10,366	1,048	. . . . .	521,481
Bank of Germantown, . . . . .	366,929	26,214	19,991	. . . . .	36,481	7,745	3,630	500,316
Total, 16 Philadelphia Banks, . . . . .	\$ 20,388,323	\$ 4,780,543	\$ 2,218,934	\$ 1,536,146	\$ 640,465	\$ 1,224,433	\$ 737,905	\$ 28,182,220
Bank of Delaware County, . . . . .	300,460	59,750	26,817	2,509	4,000	63,145	. . . . .	460,039
Bank of Chester County, . . . . .	555,117	104,350	72,604	9,933	26,250	42,936	27,350	862,031
Farmers' Bank of Bucks County, . . . . .	170,651	13,777	10,865	- 9,494	8,061	. . . . .	7,605	240,074
Doylestown Bank of Bucks County, . . . . .	145,795	33,916	17,531	. . . . .	8,149	300	762	211,401
Easton Bank, . . . . .	753,286	93,226	11,738	26,255	6,786	50,609	23,675	1,100,886
Miners' Bank of Pottsville, . . . . .	444,349	30,483	130,585	23,222	52,643	55,629	18,285	779,920
Farmers' Bank of Schuylkill County, . . . . .	207,303	16,716	58,648	. . . . .	10,590	713	. . . . .	292,972
Bank of Montgomery County, . . . . .	649,154	72,900	7,626	3,133	9,433	84,506	2,630	855,591
Lebanon Bank, . . . . .	156,624	45,912	8,669	6,300	. . . . .	8,031	. . . . .	226,427

*Pennsylvania.*

988

Farmers' Bank of Reading, . . . . .	619,217	69,967	26,673	18,727	34,174	1,269	123,210	866,269
Lancaster Bank, . . . . .	913,211	107,726	26,940	42,956	13,140	29,155	67,510	1,262,663
Lancaster County Bank, . . . . .	452,729	75,224	4,433	22,328	8,503	25,048	. . .	588,374
Columbia Bank and Bridge Company, . . . . .	288,128	26,043	37,443	9,633	12,680	. . .	223,575	610,480
York County Bank, . . . . .	230,100	15,186	9,235	5,511	. . .	. . .	. . .	260,901
Bank of Gettysburg, . . . . .	163,980	56,541	11,233	11,322	9,425	77,937	18,837	362,536
Bank of Chambersburg, . . . . .	319,316	34,661	30,918	13,883	9,800	91,972	29,321	566,876
Harrisburg Bank, . . . . .	459,771	70,563	190,188	46,226	37,469	72,569	91,719	1,056,975
Bank of Middletown, . . . . .	371,531	132,219	7,218	15,510	5,534	6,500	14,209	555,889
Bank of Northumberland, . . . . .	317,314	26,314	6,884	6,672	8,991	19,337	7,903	431,196
Wyoming Bank at Wilkesbarre, . . . . .	166,431	10,471	10,177	1,649	2,269	. . .	10,000	221,216
Honesdale Bank, . . . . .	121,417	32,273	64,677	61,695	9,215	55,000	1,200	349,771
West Branch Bank, . . . . .	190,154	62,753	7,940	13,255	9,374	80,880	2,500	377,225
Bank of Pittsburg, . . . . .	1,701,973	157,183	182,204	67,562	30,000	3,089	500	2,244,151
Exchange Bank of Pittsburg, . . . . .	966,359	91,512	157,983	25,365	55,548	14,583	. . .	1,440,974
Merchants and Manufacturers' Bank, Pittsburg, . . . . .	998,157	107,632	122,505	14,662	33,257	129,954	10,393	1,416,612
Monongahela Bank of Brownsville, . . . . .	281,452	92,557	56,697	5,880	4,132	5,496	10,000	460,705
Farmers and Drivers' Bank of Waynesburg, . . . . .	943,069	24,419	118,768	27,946	3,251	6,392	. . .	424,039
Franklin Bank of Washington, . . . . .	239,602	57,531	48,510	16,515	3,406	11,574	. . .	380,204
Dauphin Deposit Bank, . . . . .	475,987	24,797	28,909	. . .	5,000	. . .	. . .	523,695
Farmers' Deposit Bank of Pittsburg, . . . . .	258,598	21,532	173	. . .	. . .	. . .	. . .	283,730
Lancaster Savings Institution, . . . . .	231,821	14,697	. . .	. . .	18,265	2,646	11,261	280,806
Hanover Saving Fund Society, . . . . .	87,029	3,166	. . .	. . .	. . .	. . .	. . .	91,774
Farmers' Bank of Lancaster, . . . . .	659,576	61,471	25,566	17,202	6,000	90,538	57,459	917,863
Carlisle Deposit Bank, . . . . .	119,601	6,023	2,127	55,914	4,500	. . .	. . .	188,532
York Bank, . . . . .	537,347	19,646	44,772	7,415	6,686	38,070	3,600	691,445
Bank of Danville, . . . . .	336,774	21,691	14,728	1,055	. . .	7,524	300	385,814
Shrewsbury Savings Institution, . . . . .	18,150	1,199	. . .	. . .	. . .	. . .	. . .	19,946
Farmers and Mechanics' Bank of Easton, . . . . .	170,929	20,978	13,620	8,300	. . .	. . .	. . .	215,639
Add for cents, . . . . .	24	28	24	22	15	11	6	
<b>Total, . . . . .</b>	<b>\$ 36,708,793</b>	<b>\$ 6,685,729</b>	<b>\$ 3,803,438</b>	<b>\$ 2,436,147</b>	<b>\$ 998,970</b>	<b>\$ 2,399,936</b>	<b>\$ 1,501,955</b>	<b>\$ 55,618,986</b>

## TABULAR STATEMENT OF THE CONDITION OF THE BANKS OF PENNSYLVANIA, NOV., 1851.

From the Official Report of the Auditor of State.

LIABILITIES.	Capital Stock.	Circulation.	Due other Banks.	Due Depositors.	Dividends unpaid.	Contingent Fund.	Discounts, &c.	Profit and Loss.
Bank of Pennsylvania, . . . . .	\$1,875,000	\$545,309	\$492,178	\$1,037,860	\$9,389	.. . .	\$92,493	\$239,198
Philadelphia Bank, . . . . .	1,150,000	436,321	298,403	1,140,928	4,716	\$292,955	87,548	.. . .
Bank of North America, . . . . .	1,000,000	359,394	599,759	1,383,990	.. . .	.. . .	51,427	.. . .
Commercial Bank of Pennsylvania, . . . . .	1,000,000	189,329	239,165	723,189	3,143	117,800	59,396	.. . .
Farmers and Mechanics' Bank of Philadelphia, . . . . .	1,250,000	536,438	506,794	1,664,951	3,228	232,894	.. . .	.. . .
Girard Bank, . . . . .	1,250,000	509,630	628,902	622,530	38,355	.. . .	1,596	.. . .
Southwark Bank, . . . . .	250,000	174,105	101,507	516,311	895	.. . .	27,725	46,094
Bank of Commerce, . . . . .	250,000	178,240	22,149	451,194	42	40,027	27,552	.. . .
Mechanics' Bank of City and County of Phila., . . . .	800,000	284,266	207,515	606,939	3,024	200,000	57,113	97,168
Western Bank of Philadelphia, . . . . .	418,600	194,230	129,509	770,450	887	87,033	50,189	.. . .
Bank of the Northern Liberties, . . . . .	380,000	209,809	94,698	709,766	20,525	115,853	.. . .	.. . .
Bank of Penn Township, . . . . .	225,000	213,465	80,620	502,741	601	52,779	23,406	34,922
Manufacturers and Mechanics' Bank, N. L., . . . . .	300,000	183,210	34,700	322,460	871	40,980	22,669	35,304
Kensington Bank, . . . . .	250,000	175,080	35,348	440,192	12,821	55,509	.. . .	.. . .
Tradesmen's Bank of Philadelphia, . . . . .	150,000	112,795	42,622	187,064	4,662	23,000	266	.. . .
Bank of Germantown, . . . . .	152,000	105,699	9,321	190,506	8,345	24,118	.. . .	.. . .
Total, 16 Philadelphia Banks, . . . . .	\$10,700,600	\$4,455,330	\$3,522,000	\$11,279,061	\$111,373	\$1,832,518	\$501,380	\$452,686
Bank of Delaware County, . . . . .	155,640	100,276	2,034	170,165	637	.. . .	11,278	.. . .
Bank of Chester County, . . . . .	225,000	307,168	8,181	277,728	9,742	21,396	.. . .	.. . .
Farmers' Bank of Bucks County, . . . . .	92,220	72,669	7,535	36,946	326	.. . .	6,705	8,626
Doyletown Bank of Bucks County, . . . . .	80,000	79,140	1,962	56,027	2,982	7,669	.. . .	.. . .
Easton Bank, . . . . .	400,000	373,010	91,759	122,937	29,202	60,000	.. . .	20,772
Miners' Bank of Pottsville, . . . . .	199,930	340,330	45,914	144,260	1,038	29,775	14,479	343
Farmers' Bank of Schuylkill County, . . . . .	100,000	136,780	3,433	30,157	.. . .	13,516	.. . .	.. . .
Bank of Montgomery County, . . . . .	286,855	196,649	24,328	173,991	17,061	53,536	259	.. . .
Lebanon Bank, . . . . .	80,380	98,990	2,900	34,852	4,563	2,534	42	46

*Pennsylvania.*

935

<i>Farmers' Bank of Reading,</i>	300,300	403,665	33,462	104,307	1,063	23,140	18,748	...
<i>Lancaster Bank,</i>	403,900	437,007	88,065	208,915	1,314	...	33,948	65,287
<i>Lancaster County Bank,</i>	178,138	255,705	47,733	82,594	10,594	12,401	39	...
<i>Columbia Bank and Bridge Company,</i>	307,300	129,324	9,226	119,272	2,103	...	10,931	22,841
<i>York County Bank,</i>	90,000	98,130	465	53,031	403	...	4,156	200
<i>Bank of Gettysburg,</i>	123,873	181,495	3,137	28,812	2,133	3,431	7,196	...
<i>Bank of Chambersburg,</i>	205,470	203,220	4,501	93,038	5,106	3,020	87	...
<i>Harrisburg Bank,</i>	300,000	486,285	19,869	158,533	765	14,000	...	22,209
<i>Bank of Middletown,</i>	100,000	294,585	4,903	81,575	...	...	21,806	...
<i>Bank of Northumberland,</i>	160,000	170,398	11,704	48,578	8,526	20,000	543	9,040
<i>Wyoming Bank at Wilkesbarre,</i>	85,755	44,435	1,519	66,863	3,128	10,000	...	8,570
<i>Honedale Bank,</i>	100,000	207,015	100	25,725	288	...	4,553	8,000
<i>West Branch Bank,</i>	100,000	134,697	2,051	93,170	...	...	42,178	...
<i>Bank of Pittsburg,</i>	1,142,700	276,167	50,684	590,257	3,064	114,203	65,921	...
<i>Exchange Bank of Pittsburg,</i>	813,495	373,615	40,890	144,425	184	29,323	...	...
<i>Merchants and Manufacturers' Bank, Pittsburg,</i>	800,000	523,947	23,377	156,935	24,455	80,623	...	...
<i>Monongahela Bank of Brownsville,</i>	200,000	192,390	3,815	49,101	...	2,233	9,565	1,746
<i>Farmers and Drivers' Bank of Waynesburg,</i>	100,000	279,335	2	10,769	776	...	9,449	2,299
<i>Franklin Bank of Washington,</i>	120,000	174,460	2,581	53,925	4,367	24,831	36	3
<i>Dauphin Deposit Bank,</i>	50,000	...	5,191	451,631	...	...	7	6,241
<i>Farmers' Deposit Bank of Pittsburg,</i>	62,500	...	...	185,323	...	26,000	9,908	...
<i>Lancaster Savings Institution,</i>	30,140	...	...	240,197	30	...	6,036	...
<i>Hanover Saving Fund Society,</i>	38,000	...	17,510	36,129	1,816	...	31	286
<i>Farmers' Bank of Lancaster,</i>	350,000	372,380	5,516	154,388	12,964	...	...	17,962
<i>Carlisle Deposit Bank,</i>	22,500	...	19,303	138,667	1,039	...	...	1,955
<i>York Bank,</i>	250,000	283,260	14,530	113,696	...	15,176	14,791	...
<i>Bank of Danville,</i>	160,020	177,770	9,710	24,641	155	2,000	578	11,478
<i>Shrewsbury Savings Institution,</i>	6,439	...	10,000	2,642	...	...	914	...
<i>Farmers and Mechanics' Bank of Easton,</i>	107,990	74,885	7,718	22,994	...	...	2,121	...
<i>Add for cents,</i>	2	4	23	27	18	21	18	12
<b>Totals,</b>	<b>18,895,187</b>	<b>11,932,456</b>	<b>4,143,640</b>	<b>15,871,543</b>	<b>261,201</b>	<b>1,862,107</b>	<b>796,341</b>	<b>650,138</b>



## Dividends of the Pennsylvania Banks, 1851.

	Per cent. 1851.	Per cent. 1851.		Per cent. 1851.	Per cent. 1851.
Bank of Pennsylvania,	Jan., 5	July, 4	Columbia Bk. & Bridge Co.,	May, 4	Nov., 4
Philadelphia Bank,	May, 6	Nov., 5	York County Bank,	Jan., 4	July, 4
Bank of North America,	Jan., 10	July, 5	Bank of Gettysburg,	May, 3	Nov., 3
Commercial Bank of Penn.,	May, 4	Nov., 4	Bank of Chambersburg,	" 3½	" 3½
Farm. and Mech. Bk. of Phil.,	" 5	" 5	Harrisburg Bank,	" 3	" 3
Girard Bank,	" 3	" 3	Bank of Middletown,	" 4	" 4
Southwark Bank,	" 6	" 6	Bank of Northumberland,	" 5	" 5
Bank of Commerce,	" 5	" 5	Wyoming Bank,	" 3½	" 3½
Mechanics' Bank of Phil.,	" 6	" 6	Honesdale Bank,	" 4	" 4
Western Bank,	" 7	" 5	West Branch Bank,	" ..	" ½
Bk. of the Northern Liberties,	" 5	" 5	Bank of Pittsburg,	" 4	" 4
Bank of Penn Township,	" 5	" 5	Exchange Bank of Pittsburg,	" 4	" 4
Manuf. and Mech. Bk., N. L.,	" 4	" 4	Merch. and Manuf. Bk.,	" 4	" 4
Kensington Bank,	" 10	" 5	Monongahela Bank,	" 4	" 4
Tradesmen's Bank of Phil.,	" 3	" 3	Farmers and Drovers' Bk.,	" 4	" 4
Bank of Germantown,	" 4½	" 4½	Franklin Bk., Washington,	" 4	" 4
Bank of Delaware County,	" 5	" 5	Dauphin Deposit Bank,	" *	" *
Bank of Chester County,	" 4	" 4	Farmers' Deposit Bank,	" 6	" 6
Farmers' Bank of Bucks Co.,	" 3	" 3	Lancaster Sav. Institution,	July, 5	Jan., 3
Doylestown Bk. of Bucks Co.,	" 4	" 4	Hanover Sav. Fund Soc.,	May, 4	Nov., 4
Easton Bank,	" 5	" 5	Farmers' Bk., Lancaster,	" 5	" 4
Miners' Bank of Pottsville,	" 4	" 4	Carlisle Deposit Bank,	" 3	" 4
Farmers' Bk. of Schuylkill Co.,	" 4	" 4	York Bank,	" 4	" 4
Bank of Montgomery Co.,	" 4	" 5	Bank of Danville,	" 4	" 4
Lebanon Bank,	" 5	" 4	Shrewsbury Sav. Institution,	" *	" *
Farmer's Bank of Reading,	" 4	" 4	Somerset Bank,	" *	" *
Lancaster Bank,	" *	" *	Farm. and Mech. Bk., Easton,		new.
Lancaster County Bank,	" 5	" 5			

NEW YORK CANAL CERTIFICATES. — The following table will show the banks that had deposited the certificates with the Bank Department up to the 1st of December, 1851, when the report of the Superintendent was prepared. Also the amount and character of their other securities, and their circulation on the 27th of March last.

	Canal Certificates.	Other Stocks.	Mortgage- ges.	Circula- tion.
Amenia Bank,	\$ 10,000	\$ 42,675	.....	\$ 50,772
Bank of Auburn,	60,000	16,000	.....	85,000
Commercial Bank, Alleghany County,	50,000	92,007	.....	84,640
" Whitehall,	10,000	100,000	.....	95,362
" Clyde,	5,000	42,000	\$ 5,000	51,332
Exchange Bank, Lockport,	8,000	43,948	48,981	88,639
Eagle Bank, Rochester,	5,000	48,293	11,475	64,333
Farmers' Bank, Amsterdam,	20,000	33,100	32,400	76,409
Fort Edward Bank,	14,500	73,591	13,250	97,665
Grocers' Bank, New York,	30,000	70,000	.....	77,343
Havana Bank,	50,000	.....	16,803	65,888
Lockport Banking and Trust Company,	36,500	5,135	41,469	58,279
Merchants' Bank, Lancaster,	1,000	25,000	21,605	46,962
" Poughkeepsie,	75,000	61,000	.....	102,078
" Granville,	20,000	20,542	.....	25,000
Malone Bank,	55,000	45,110	.....	85,130
Northern Canal Bank, Fort Ann,	46,000	26,500	.....	92,000
New York Stock Bank, Durham,	30,000	23,000	.....	28,993
New York Exchange Bank, New York,	10,000	148,293	.....	142,456
Powell Bank, Newburgh,	27,500	59,092	86,908	135,893
Phenix Bank, Bainbridge,	70,000	6,000	35,534	110,523
Patchin Bank, Buffalo,	50,000	16,000	53,719	110,315
Rochester Bank,	70,000	71,794	50,464	151,390
Sullivan County Bank,	15,000	35,900	.....	18,442
Traders' Bank, North Granville,	50,000	.....	.....	49,991
Valley Bank,	50,000	.....	4,390	60,285
Whitestown Bank,	20,000	35,000	50,350	96,948
Western Bank, Lockport,	22,500	4,000	25,720	45,999
	\$ 911,000	\$ 1,142,978	\$ 498,068	\$ 2,197,122

\* Amount of dividend not stated.

## LAWSON'S HISTORY OF BANKING.

## CHAPTER IX.

## ON JOINT-STOCK BANKING.

*Origin of the Limitation of the Number of Partners in Banks. — Act authorizing the Formation of Joint-Stock Banks. — First Establishment of Joint-Stock Banks. — Number of Joint-Stock Banks at present in England. — On the Limitation of the Liability of Shareholders. — One general Deed of Settlement advocated. — Defects of the Act 7 and 8 Vic. c. 113, the Subject of Parliamentary Interference. — Change in the Law prohibiting Clergymen becoming Shareholders in Banks. — Mr. Gilbert and the Establishment of the London and Westminster Bank. — Its Success. — Active Opposition of the Bank of England to the London and Westminster Bank. — Account of the existing Banks. — Formation and subsequent Failure of the Northern and Central Bank. — Failure of the Norwich and Norfolk Joint-Stock Bank. — Shareholders in such Banks the only Sufferers. — Form of Transfer of Shares in Joint-Stock Banks. — Abstract of the Act 7 and 8 Vic. c. 113, for regulating Joint-Stock Banks. — Heads of the Sections of a Deed of Settlement.*

FOR upwards of a century the Bank of England possessed a monopoly, being the sole public bank in England empowered to issue notes payable to the bearer on demand, and to carry on the business of banking.

In the year 1708, the Bank, in addition to its other privileges, succeeded in obtaining an act granting to them and their successors the privilege of banking to the exclusion of all copartnership of more than six persons; and, as there were at that time several joint-stock companies carrying on the business of banking, they were compelled to wind up their affairs.

We have adverted to this monopoly, and the various considerations given for it by the Bank. The act tacitly gave encouragement to small shopkeepers and others, however limited their means, to establish banks and issue notes; but to persons of capital, respectability, and credit, willing to associate in large bodies and embark in a similar undertaking, it in fact said, "Your company shall not consist of more than six partners," thereby placing the banking system in a state of liberty as to every thing rotten and bad, and in a state of restriction as to every thing good and substantial. (*Vide Parliamentary Reports on Banking, 1826.*)

Besides the prohibition to the formation of joint-stock banks, which for special reasons did not extend to Scotland, the law of partnership interposed obstacles which nothing but legislative interference could remove.

Even to this day there is no part of our laws more complicated, or less understood, than the laws relating to partnerships: they are founded upon no general principle, and consequently are contradictory and obscure; but it is not necessary for our subject further to allude to such matters.

During the latter part of the year 1825, the injustice and the impolicy of the Bank monopoly had become so great, that, notwithstanding the resistance of the authorities of the Bank, an act was passed allowing, under certain limitations, the formation of joint-stock banks in England.

"The trade of banking," says Sir Henry Parnell, "is of such a nature, that it is scarcely possible for any but a very numerous body of partners to furnish a capital sufficiently large for carrying it on advantageously to the public. A single individual or a few individuals cannot be, but very rarely, possessed of that amount of capital which alone can render this trade a safe one; for this reason, in order to establish in a country a sound system of banking, it is indispensably necessary that care should be taken 'not to impose any legislative restrictions in the way of large bodies associating together to form joint-stock banking companies.'"

Adam Smith, in his *Wealth of Nations*, says:—

"Though the principles of the banking trade may appear somewhat abstruse, the practice is capable of being reduced to strict rules. To depart upon any occasion from these rules in consequence of some flattering speculation of extraordinary gain is almost always dangerous, and frequently fatal, to the banking company which attempts it. But the constitution of joint-stock companies renders them in general more tenacious of established rules than any private copartnership. Such companies, therefore, seem extremely fitted for this trade."

There are only one corporate body in England and three in Scotland, connected with banking, in which the responsibility of the shareholders is limited to the amount of their respective subscriptions. When the government were in correspondence with the Bank of England relative to the formation of joint-stock banks in England, the subject of limiting the liability of shareholders by charters of incorporation was one of the conditions proposed, but which, as we have before observed, the Bank refused to sanction; consequently, the shareholders in such banks are liable to the fullest extent for the debts of the company in which they embark their capital.

The act 7 George IV. c. 46, after reciting the agreement with the Bank, 39 and 40 George III., wherein the exclusive privilege of banking is renewed and extended to the 1st of August, 1833, enacts, that "copartnerships of more than six in number may carry on business in England as bankers sixty-five miles from London, provided they take out a license for the same, and have no establishment as bankers in London; and that every member shall be liable and responsible for the due payment of all the engagements of the bank"; but such banks were prohibited drawing bills payable on demand, or for a less period than six months, or for a less sum than fifty pounds, on any partner, agent, or other person, within the prescribed limits.

Such copartnership, before issuing notes, to send to the Stamp-Office in London a return or account of the name of the bank, and the names and places of abode of all the members, verified by the secretary or other public officer of the bank, and from time to time the names of any new officers or members of the bank. "All actions, suits, &c., against any parties indebted to the bank shall be commenced and carried on in

the name of the public officer for the time being; and also any judgment of the courts of law or decree of the court of equity against the public officer to take effect against the corporation."

All joint-stock banks registered, as before stated, to issue unstamped notes, on giving bond that the composition for the duties which would otherwise be payable for such promissory notes issued within the space of one year, amounting to seven shillings for every £ 100 of such notes in circulation, be duly paid.

A penalty of £ 50 for infringing the above enactment, and a penalty of £ 500 for every week any joint-stock bank neglects to make the return required by the act, or for any false return; the officer in the latter case, if lawfully convicted, "shall be subject and liable to such pains and penalties as by any law now in force persons convicted of wilful and corrupt perjury are subject and liable to."

The legislature in sanctioning the formation of joint-stock banks had no doubt in view the establishing of a secure and sound system of banking in England; but the very loose manner in which the act is worded, and the entire absence of all safeguards against the delusive schemes which such an act would naturally call into existence, must be apparent to the most superficial reader.

Yorkshire and Lancashire were the first to take advantage of the act by the formation of joint-stock banks at Lancaster and Huddersfield. The latter town had severely suffered by the failure of several private banks, so that the district had not sufficient banking accommodation afforded to it. This awakened the attention of several public-spirited gentlemen to attempt forming the Huddersfield Banking Company, which was eventually accomplished. The proprietary consisted of men of property retired from business, as well as of others extensively engaged as merchants and manufacturers. The object of the framers of the bank was to inspire confidence by the respectability of the shareholders, as well as by the amount of paid-up capital.

Similar institutions were rapidly formed throughout the country, some of which, from mismanagement, have failed. The number of joint-stock banks in England is 107, consisting of about 25,000 partners, or an average of 234 partners for each bank. The average amount of the paid-up capital of each is about £ 160,000; the subscribed capital, £ 600,000; and the subscribed capital of the whole 107 banks exceeding £ 8,000,000; whilst the shares of 31 banks are selling at an average of 100 per cent. on the amount paid up.

The unlimited liability which each shareholder in a joint-stock bank incurs, though possessed of only one share, must by all parties be admitted to offer the greatest possible security to the public; but it is not less obvious that the same cause must often prevent many wealthy and influential individuals from becoming shareholders.

The control over the affairs of joint-stock banks is usually vested in the hands of a limited number of directors, who, in the discharge of their duties, are required sedulously to watch the operations which arise out of such standing orders and resolutions as have been sanctioned by the body of shareholders.

To prevent, as far as possible, any approach to abuse in the administration, a full report of the affairs of the company, with a statement appended to it of its assets and liabilities, is usually laid before the shareholders periodically (the 7 and 8 Victoria, c. 113, makes this proceeding imperative on all future banks), on which statement and reports a dividend is declared.

By a covenant in the deed of settlement of most of the English joint-stock banks it is the practice expressly to stipulate, that, whenever a certain portion of the paid-up capital is lost, the company shall be held to be dissolved, and the remaining funds and property of the company divided amongst the shareholders, in proportion to the number of shares respectively held by them.

This salutary provision, when strictly adhered to, has the twofold effect of guarding both the proprietors and the public; for, while it secures the latter, by making every proprietor responsible for the acts of the managers to the full extent of their fortunes, it limits the risk of the former by the conditions under which they become subscribers to the undertaking.

Numerous suggestions have been made for amending the laws affecting joint-stock banks; but, however excellent they may be, they do not meet the question of the liability of shareholders. Our opinion on this point is, that deeds of settlement should be framed so as to be of one uniform tenor as regards the liability of shareholders; and we think that sufficient security would be afforded to the public if the responsibility of shareholders were defined. This in all probability would not be acquiesced in by the Bank of England, because the unlimited liability of the partners in every other bank constitutes one of the principal elements of their monopoly; yet, if their sanction could be obtained, there is no objection that we can see why the shareholders of all joint-stock banks should not be exonerated from all responsibility beyond three times the amount of their subscriptions in the capital stock of the bank; so that, if a party subscribed for £ 1,000, he should be held responsible for £ 4,000 and no more. This would tend materially to increase the respectability and solidity of joint-stock banks, inasmuch as, from the manner in which they are at present constituted, wealthy men are deterred from becoming shareholders, in the dread that their whole fortunes are liable for the debts of the bank. As a check upon any improvident disposition of the funds of the bank, when they are banks of issue, inspectors appointed by government should be empowered periodically to examine the state of the affairs of these banks, and make a full report thereof to the government, which report should be published in the "Gazette"; but those banks that are not banks of issue should be exempt from such inspection.

A few years sufficed to show the defective state of the law as regards joint-stock banks, which at last attracted the attention of Parliament. During the session of 1836, the House of Commons appointed a Secret Committee to inquire "into the operation of the act, and whether it be expedient to make any alteration in it."

To enable the committee fully to understand the nature of the subject

submitted for their examination, they issued a circular to all the existing joint-stock banks, in which they embodied various queries, which in most instances were readily responded to by the banks, who at the same time gave a most minute detail of their mode of transacting business. The report, which is a very lengthy document, after giving the opinion of the committee on the defects of the law, contains thirteen practical propositions, each of which, it is stated, "appears to the committee deserving of the most serious consideration, with a view to the future stability of the banks throughout the United Kingdom, the maintenance of commercial credit, and the preservation of the currency in a sound state."

Notwithstanding the unfavorable state of the law relating to public banking, the successful progress such institutions have made with few exceptions throughout the country is strongly confirmatory of the opinion expressed by the above committee, "that the readiness with which several joint-stock banks furnished the requisite information, and the willingness to meet inquiry, is of itself the surest pledge and guaranty of the sound principles on which these and similar establishments are conducted."

Among the numerous defects of the law of 1826, the framers of the measure entirely overlooked the very important circumstance, that, should any clerk in orders become a shareholder in any joint-stock bank, that alone would be sufficient to invalidate all the proceedings of any such bank.

In the year 1817 an Act of Parliament, 57 Geo. III. cap. 99, was passed, prohibiting all spiritual persons having or holding any office in the Church from engaging in any trade for gain or profit, under a penalty of forfeiture of the value of the property dealt in; one half of every such forfeiture to his Majesty, and the other to any one who will sue for the same. The consequence of this act was, that, if any clergyman became a proprietor of stock in any company not being a chartered company, such company was incapacitated from recovering any just or lawful debts, and subjected the whole of its capital to forfeiture.

Acts of Parliament were formerly proclaimed in every town or village in the kingdom, so that no one might plead ignorance of their existence. Their number is now, however, so great, that they are frequently felt before they are known. So it happened to one of the joint-stock banks at Manchester.

The Northern and Central Bank, ignorant of the existence of the law of 1817, instituted legal proceedings to recover the amount of a dishonored bill of exchange. The defendant, without disputing his liability on the bill, rested his defence on the fact, that there were two clergymen partners in the bank, and consequently that the bank was not entitled to recover. The Court of Exchequer, at which the late Lord Abinger presided, and before whom the cause was tried, held that the plea was good.

In the month of February, 1838, a bill was brought into the House of Commons to legalize certain contracts which had been or might be entered into by certain parties as shareholders of joint-stock banks,

which bill was ultimately passed, under the title of "The Banking and Trading Clerical Copartnership Bill."

Another difficulty to be overcome was, how joint-stock banks could proceed against a party indebted to the bank without setting forth the names of all the partners; and this, in the absence of legislation, could only be accomplished by the following circuitous and indirect manner. Every person opening an account with the bank was required to sign his name to a document, undertaking to pay any sum of money which might be owing by him to five persons who were trustees to the bank, and in whose names all the operations of the bank were carried on. The document in question was after the following manner:—

*"Joint-Stock Bank."*

"To A, B, C, D, and E.

"GENTLEMEN,— In consideration of your agreeing to pay to me, or to my order, any sum or sums of money which shall at any time be deposited by or belonging to me in the said bank, I hereby engage, as a separate contract with you, to pay to you individually, or the survivors of you, on demand, all such sums of money as I shall or may hereafter become indebted to the said bank on any account whatever:

"Your obedient servant."

A further difficulty was how to recover money from a customer of the bank who was a shareholder, and who, notwithstanding the above obligation, might plead his partnership in bar of the claim of the bank. To get over this difficulty, a witness (Mr. John Duncan) examined before the committee of the House of Commons on joint-stock companies, in 1843, at page 171 of the Report, describes the process of this and other obstacles thrown in the way of the metropolitan banks: "It was necessary to have a clause inserted in the deed of settlement, that any partner becoming indebted to the bank, and refusing to pay the same on demand, might be sued for the amount as liquidated damages for breach of the covenant to pay on demand."

In some banks, those customers who agree to pay a commission in lieu of keeping a balance of cash in the bank, are called upon to sign a letter to the effect, that, in consideration of the bank consenting to open an account with A. B., he authorizes the manager to debit the account annually for the amount of commission agreed on. This prevents any dispute between the parties, more particularly as the consideration is set forth in the authority.

The committee of the House of Commons on joint-stock banking, in 1838, reported that,

"By the general law of partnership, the common law remedy for the recovery of debts which exist between party and party is not applicable in cases where the debt is contracted between a partnership and one of the partners or shareholders. In such a case the remedy is by proceeding in a court of equity, and such a remedy in the case of joint-stock banks is so cumbrous, so complicated, and so dilatory, as to afford no adequate means for the recovery of a just debt. Upwards of £400,000 is stated by Mr. Broadbent, one of the inspectors of the Northern and Central Bank, to be due to the bank by its shareholders. This sum is practically now irrecoverable by law; and not only was that establishment precluded from winding up its affairs, but the rights of the parties may be affected most seriously. The inconvenience or danger extended much further; because, if a similar defence was raised by debtors of joint-stock banks generally, a most serious blow might be struck at commercial credit, likely to produce the most calamitous consequences. This state of things should not be permitted to

continue; but, whilst your committee are of opinion that a bill to correct this inconvenience should be introduced without delay, they are *unwilling that such a measure should be permanent in its character, or should be in force for a longer period than to the end of the next session of Parliament.*"

Why the words we have marked in italics should have been added by the committee we cannot conjecture; for, while recommending the legislature to remedy a glaring defect in the law, they at the same time object to that remedy being of a permanent character.

In the month of July, the House of Commons ordered a bill to be printed, called "A Bill to amend the Law relative to Legal Proceedings by certain Joint-Stock Banking Companies against their own Members, and by such Members against the Company."

From the preceding remarks it becomes perfectly obvious to the reader, that we entirely concur in the policy of government introducing the principle of joint-stock banking into England; but this must be understood to apply to joint-stock banks properly regulated, of which, in our opinion, most of the banks of Scotland may be regarded as examples.

Though decidedly favorable to the system, we are by no means disposed to conceal the errors of those who, in carrying out that system, have adopted measures in themselves unjustifiable, and, in some cases, ruinous to the parties concerned.

In some joint-stock banks there has been great mismanagement, and in others gross ignorance and misconduct, on the part of the directors; yet this does not impugn the system: the same thing might happen to any corporate company. It only shows that the shareholders, who are partners interested, ought to choose as directors and managers men both honest and capable of conducting the transactions of a bank with prudence and regularity. Unhappily, it is too frequently the case that directors are chosen, not from their experience in banking, but from their being able to command a certain amount of capital to invest in the concern.

It not unfrequently happens, that parties whose previous occupations have been of a nature to preclude the possibility of their possessing the slightest knowledge of banking find themselves placed in a position, of the responsibilities attached to which they are entirely ignorant.

Instances are to be met with in which the directors have neither the judgment nor the capital to carry on a bank with safety to the shareholders, and who have no vested capital in the concern, but have made up their qualification shares by bringing in the company, in the first instance, debtors to the directors in a given amount, as a remuneration for their services in establishing the bank. This course, however, is only adopted where the scheme is bottomed on fraud and deception, and, when discovered, naturally throws discredit on the principles of joint-stock banking.

Many of the private banks in England have been established upwards of half a century, and some full a century; and the experience gained during that long period enables the banker to discriminate with better judgment than the directors of joint-stock banks, as to the general system of banking, and the degree of accommodation to be afforded to the mercantile community in their immediate neighborhood.



The partners in such banks are generally men of property and experience, who well know the danger of indiscreet advances, and who will not risk either their property or their character by urging their connections to put a too extended trade upon borrowed capital.

The great danger of joint-stock banks, next to the want of experience in the executive, is, that the partners or shareholders are allowed to overdraw their accounts without sufficient security, and that so large a proportion of them are borrowers,—men who in difficult times could render no assistance to the bank, but would require further support for themselves.

The practice adopted by some joint-stock banks of investing a portion of the funds of the bank in the purchase of shares of other joint-stock banks is very much to be condemned, as it materially increases the liability of the shareholders. To illustrate this, we will suppose that a metropolitan joint-stock bank purchases shares in a Manchester joint-stock bank. As the law at present stands, a shareholder in the bank not chartered is responsible for the whole liabilities of such bank in which he is a shareholder. Now, as the purchase of the shares was made with the funds of the bank, each partner in the metropolitan bank becomes responsible for the liabilities of the bank at Manchester; consequently the security in the one case is materially increased, whilst in the other it is considerably diminished.

One of the worst features in joint-stock banking — and this applies with equal force to many private banks — is the appointment of agents, and the description of operations carried on under that name. The person employed is generally a man who follows some other business as his principal occupation, such as that of a draper, grocer, stationer, or small shopkeeper. Such a man is preferred because he is always upon the spot, and can insure his own business, and part, perhaps, of the business of his customers and connection, to the bank. Few of such agents are conversant with banking business, or men in whose experience and judgment so important a trust can safely be confided.

Many of these agents have a credit on the London correspondent of the parent bank, by some called a renewable credit; so that, supposing the credit should be £1,000, the London banker, when he has accepted the drafts of the agent to that extent, informs the parent bank of the circumstance, at the same time stating that the credit of £1,000 has been renewed. This credit may be considered in the light of an unlimited power to draw on London, provided such drafts do not exceed in the aggregate on any one day the original amount of the credit.

The occasions which give rise to these drafts are various; but they are principally issued to persons who have notes of the bank for which the shopkeeper is agent, and who are desirous of remitting the amount to London, such as travellers who have in their collection received country notes, and who require bills for the convenience of remitting to farmers and others, who find occasion in the course of their business to make remittances or pay bills at a distance.

At the period of passing the act of the 7th George IV. c. 46, and for some time after, it was considered that no joint-stock bank could be

established in London, or within a radius of sixty-five miles thereof; but this opinion was opposed by Mr. Gilbart, the present talented manager of the London and Westminster Bank. The ambiguous phraseology by which acts of Parliament are too frequently encumbered renders them at times perfectly unintelligible.\* Mr. Gilbart, however, appears to have discovered that the supposed prohibition was purely imaginary; he therefore set about forming a joint-stock bank, a task at that time surrounded with the greatest difficulties.

Great credit is therefore justly due to Mr. Gilbart for his persevering industry in overcoming those deep-rooted prejudices and petty jealousies which first opposed the introduction of metropolitan joint-stock banks. To set the question of the legality of metropolitan joint-stock banks at rest, the following clause was introduced into the act of the 3d and 4th William IV. c. 98:—

"And whereas doubts have arisen as to the construction of the said acts, and as to the extent of such exclusive privilege, and it is expedient that all such doubts should be removed; be it therefore declared and enacted, that any body politic or corporate, or society, or company, or partnership, although consisting of more than six persons, may carry on the trade or business of banking in London, or within sixty-five miles thereof, provided that such body politic or corporate, or society, or company, or partnership, do not borrow, owe, or take up in England any sum or sums of money on their bills or notes payable on demand, or at any less time than six months from the borrowing thereof, during the continuance of the privileges granted by this act to the said Governor and Company of the Bank of England."

The London and Westminster Bank was the first joint-stock bank formed in London. After the passing of the act of the 3d and 4th William IV. c. 98, but previous to their commencing business, which was in the month of March, 1834, the directors applied to the committee of bankers for admission to the clearing-house, which was refused; they also applied to the Bank of England for a drawing account, which was also refused.

Notwithstanding these impediments, and others which we are about to refer to, the bank has succeeded beyond all expectation. By their last report and balance-sheet, submitted to the shareholders on Wednesday, 16th January, 1850, it appears that the amount of their deposits was £3,680,623 10s. 9d., and that the profits for the past year, ending 31st December, 1849, were £65,120 17s. 7d.

In addition to the usual dividend of £6 per cent. per annum on the paid-up capital, the directors at their meeting in 1847 gave a bonus to the shareholders of 8s. per share on 40,000 shares, which was equal to two per cent. on the capital stock, and increased the guaranty fund by £10,175 15s. 9d., the present amount of which is £107,844 14s. 6d. The directors at the same meeting proposed that the remaining 10,000 shares should be issued to the shareholders at par, in the proportion of one share for every four shares held by them respectively, to be paid by instalments of £7 per share on the 15th of April, £6 per share on the

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\* "The laws ought not to be subtle; they are designed for people of common understanding, not as an act of logic, but as the plain reason of a father of a family."—Montesquieu, Vol. II. p. 302.

15th of July, and £7 per share on the 15th of October. By this arrangement, the capital of the bank was increased to £1,000,000, and the whole of the 50,000 shares were disposed of.

The following is a tabular statement of the operations of the London and Westminster Bank in each year, from its foundation to the 31st of December, 1849:—

Date.	Paid-up Capital.	Surplus Fund.		Profits of the Year.		Dividends.	
	£	£	s. d.	£	s. d.	£	s. d.
1834	182,255	1,205	8 5	3,540	6 6	2,334	18 1
1835	267,270	1,907	6 5	11,520	10 0	10,518	12 0
1836	597,255	4,527	0 6	32,483	14 1	29,864	0 0
1837	597,280	7,067	11 2	32,404	10 8	29,864	0 0
1838	597,280	20,839	4 1	43,636	12 11	29,864	0 0
1839	597,280	33,100	11 1	48,098	3 0	26,836	16 0
1840	597,280	46,215	3 11	48,951	8 10	36,836	16 0
1841	786,300	56,007	16 8	51,300	0 9	41,507	8 0
1842	800,000	63,126	10 10	55,118	14 2	48,000	0 0
1843	800,000	66,822	16 5	51,696	5 7	48,000	0 0
1844	800,000	69,904	15 4	51,081	18 11	48,000	0 0
1845	800,000	68,248	16 4	66,344	1 0	48,000	0 0
1846	800,000	93,424	12 1	74,175	15 9	48,000	0 0
"	.....	.....	.....	Bonus.		16,000	0 0
1847	1,000,000	100,647	16 11	68,223	4 10	56,000	0 0
1848	1,000,000	102,723	16 11	62,076	0 0	60,000	0 0
1849	1,000,000	107,844	14 6	65,120	17 7	60,000	0 0
	1,000,000	107,844	14 6	755,771	4 7	647,926	10 1

This remarkable position, of which the annals of banking furnish no parallel, was not attained without the bank encountering, on its first introduction, and for some time afterwards, very serious difficulties; for, apart from the fact of their having to overcome a deep-rooted prejudice in favor of private banks, the charter of the Bank of England proved a great obstacle.

The directors of the London and Westminster Bank very naturally concluded that the legislature, whilst it sanctioned the formation of metropolitan joint-stock banks, never could have intended that such banks should be deprived of the power of suing those who might be indebted to them; but in this they were mistaken. On the 7th of May, 1834, just three months after they commenced business, the directors applied by petition to the House of Commons for powers to sue and be sued. On the introduction of the bill granting such powers, the Bank of England petitioned to be heard by counsel against it, which bill, notwithstanding this opposition, passed the Commons; and, after having been read a first time in the House of Lords, no further trace of it can be found in the journals.

The London and Westminster Bank thought in their simplicity that the corporation would not push their hostility any further. They therefore carried on the ordinary business of banking, making the special arrangements with their shareholders and customers before referred to. In the course of their transactions, bills of exchange were drawn upon them from the country, which were accepted.

The Bank of England, ever jealous of its privileges, gave notice to

the London and Westminster Bank, that by accepting bills they were infringing the privileges of the Bank. On this subject the following remarks appear in the first report of the London and Westminster Bank : —

"The active opposition of the Bank of England has been again manifested, by its giving notice within these few days of its intention to try the question of our power to accept bills of exchange drawn at a shorter date than six months. Several months ago, the Bank of England was aware of the proceedings of the London and Westminster Bank in this respect, but not until now has any step been taken.

"The London and Westminster Bank are ready to meet the Bank of England in any court of justice on the subject, for, having obtained the best legal advice, they feel quite confident of ultimate success. They have no desire to infringe the liberties of the Bank of England; but they are equally determined to protect the interests of the shareholders of the bank."

After opposing the Bank of England in the courts of law and equity, the question was brought before the House of Lords, who called in the assistance of the twelve judges, whose decision was in favor of the Bank of England. The costs incurred by the London and Westminster Bank in this litigation amounted to several thousand pounds.

We have stated thus much to show the difficulties that were thrown in the way of the early metropolitan banks; now, however, both questions are finally set at rest. Not only may joint-stock banks sue and be sued, but they may also accept bills and perform all the ordinary functions of bankers; and on conforming to the provisions of the 7th and 8th Victoria, c. 113, such banks can be legally incorporated by letters patent from the crown. An abstract of the act will be found at the end of this chapter.

On the 17th of January, 1850, at a meeting of the shareholders of the London Joint-Stock Bank, the report and balance-sheet submitted by the directors showed a profit for the half-year ending 31st December, 1849, of £25,132 10s. 8d., which, with £15,433 14s. 1d. carried forward from June, made a total of £40,566 4s. 9d., which was appropriated as follows: £18,000 for a dividend at the rate of six per cent. per annum, £22,500 as a bonus of 7s. 6d. per share, and £66 4s. 9d. to the credit of the guaranty fund, which now amounts to £132,723 3s. 8d. The amount of deposits with this bank is £2,792,507 19s. 2d., and the paid-up capital £600,000.

The tenth annual report of the Union Bank of London was submitted to the shareholders with the balance-sheet on the 11th of July, 1849, by which it appeared that their paid-up capital was £422,900; the amount of their deposits £2,835,617 3s. 8d.; and that the amount paid for dividends for the past year, at the rate of six per cent. per annum on the paid-up capital, was £25,374, and the guaranty fund £50,000.

The proprietors of the Commercial Bank of London held their ninth annual meeting on the 30th of June, 1849, when a report and balance-sheet were submitted by the directors, by which it appeared that the paid-up capital was £128,280; that the amount in deposit was £541,804 3s. 5d.; that the annual dividend on the paid-up capital amounted to £7,696 16s., being at the rate of six per cent. per annum; and that the amount of the guaranty fund was £20,014 19s. 9d.

We now propose to advert to the failure of two joint-stock banks, arising entirely from ignorance of the true principles of banking, and

accompanied in one instance with the grossest mismanagement; but, before we proceed to enter into particulars which are now matters of history, we shall lay before our readers a portion of the first report of the provisional directors of the Northern and Central Bank; and, by comparing such report with the actual results of their operations, it will at once appear what little regard was paid to the principles on which the bank was founded:—

"Distinguished names have often patronized the most ruinous schemes, and the best concocted plans have as frequently been crippled, or rendered abortive, by the injudicious measures of those who managed them. In the Northern and Central Bank of England, theory, however plausible or imposing, is wholly excluded. Its system is a tried and approved one; under effective management, it cannot fail to have a most salutary influence on the capital, agriculture, commerce, manufactures, and labor of the country; and the public have given unequivocal proof of their determination to adopt and foster it. Suffice it to say, that the prospectus of the Northern and Central Bank of England was issued without name or influence other than its declared objects and principles. Never, from the moment of its being projected to the present, did they ever swerve from the most rigid principles of independence, by direct or indirect efforts to appease hostility, to conciliate rival companies, or to obtain the influence of the press; and yet within seven days the company was formed; within three weeks the appropriation of shares had to be limited by the probable banking business of applicants; and within a month the labors of the committee were at an end, and merged for ever in the formation of a banking company that extends over the first agricultural, commercial, and manufacturing district in the world.

"Such is the influence, such are the effects, of sound practical principles. The shareholders now assembled will not require a particular exposition of contemplated proceedings; they will confine themselves to the election of seven directors, and in the gentlemen elected they will confide for the successful extension of the company, the development of its measures, and the completion of its arrangements."

This apparent purity of intention, however, had to be tested. It is one thing to describe the advantages of a system, and another practically to carry out that system; and this bank furnishes a memorable instance of the truth of this doctrine.

By the examination of witnesses before a committee of the House of Commons on joint-stock banking in 1837, it appeared that the Northern and Central Bank of England was established in January, 1834, with a nominal capital of £1,000,000, divided into one hundred thousand shares of ten pounds each; and that before the commencement of business, nay, even before the directors were chosen, thirty-five thousand shares were subscribed for, and by June, 1836, seventy-one thousand one hundred and eighty-six shares had been subscribed for, and the number of parties who had signed the deed of settlement was twelve hundred. The total amount of capital paid up was £700,000; there was also £800,000 in deposit at interest, and a note circulation amounting to £300,000; yet in the month of December, 1836, they had only £140,000 in bills and £24,000 in cash.

By the statement relative to the advances by the Bank of England to the Northern and Central Bank, delivered to the Committee of the House of Commons in 1837, it appears that, after having taken possession of such securities as remained, the directors of the Bank proceeded to investigate the affairs of the Northern and Central Bank.

On the debts due to the company it would be improper to remark; but one fact must be noticed, namely, the great proportion of sharehold-

ers among the debtors. Of fifty-two accounts due at Manchester, the balances on which exceeded £2,000 each, thirty-five were due by shareholders; and of twenty-nine principal debtors at Liverpool, twenty-one were shareholders. When, at a later period of the investigation, the directors of the Bank of England deemed that a committee of inspection should be appointed from among the shareholders not being debtors or in any way connected with the directors, it was stated "it would be difficult, if not impossible, to form such a committee."

The qualification for a director was one hundred shares; but it appears that they took one thousand shares, and, instead of paying the call to the bank, the directors and their nominees were severally debited with the amount in a private ledger, which was locked, and the key deposited with the chief accountant.

In addition to this, each director had a current account with the bank, and many of them had overdrawn their accounts to a very large amount. Nor was this all; for it further appeared that many of them were indebted in large sums of money on notes of hand, which, being placed to the account of securities, did not appear in the books as a debit against the directors.

Upon combining these several items of debt, it was ascertained that there was no less than £290,000 due by the directors, and that there was nearly £24,000 due by the managers and clerks. Of the debts due by directors, £35,000 was paid off while the directors of the Bank of England remained at Manchester, reducing the total amount of debts due by directors to £255,000.

Ultimately, the committee of management appointed in place of the directors were enabled, with the assistance of the legislature, to recover £1,400,000 of the debts due to the concern; and the last intimation received of the fate of this unfortunate bank was, that it was likely the shareholders would lose ten shillings in the pound, but that the public would be paid in full.

In closing our account of this bank, we have only to remark, that the very rapid decline of the Northern and Central Bank, after the flourishing official reports respecting its success, which held out, "that it was morally impossible that a bank constituted on a basis wide and solid as that could ever fail, and that the slightest appearance of its embarrassment would be the immediate signal-gun for immense assistance being poured in," shows how little reliance is to be placed upon the most positive and apparently authentic assertions on such subjects.

The other joint-stock bank we refer to was the Norwich and Norfolk Joint-Stock Bank, the management of which was vested exclusively in three or four hands. On the stoppage of this bank there was no loss to the public or the proprietors; the debts due to the company which might be considered as bad amounted to more than £25,000, the amount of loss which, according to their deed of settlement, was to dissolve the company. The directors, having established a business, thought the best course was to sell it to a new company, which they did for a premium of £20,000 determining to make up the deficiency out of their own pockets.

The failure of these and other joint-stock banks has given occasion to the opponents of the system to decry it in every possible way; but if there has been any loss it has evidently fallen in the right place, on the proper parties, who with views of profit became partners in establishments not adapted to realize it, or who neglected to exercise that control and vigilance over the management without which the desired result could not be attained.

They made erroneous calculations, or trusted the issue to chance, or confided where confidence was not due, and have no right to complain of any body but those individuals who may have deceived them. If they had become partners in any mercantile concern, and been equally supine or misjudging, they would probably have encountered a similar disaster.

"Men who grasp at profit must run the risk of loss."

If this country should happily remain at peace, we may look forward to the time, and that not a distant one, when our commerce and manufactures will be doubled; and, as the increase of circulating capital and credit will be chiefly supplied through joint-stock banks, it becomes a matter of great importance that they should be established upon such principles as will admit of their unlimited extension with perfect safety to the country.

When the joint-stock banks are placed on a sound footing, it will be necessary that a good understanding subsist between them and the Bank of England; for they will become powerful enough to draw out every sovereign from the Bank; and, if any occasion should arise to induce them to do so, the Bank of England would be quite at their mercy. This power, combined with the vast political influence which they must ultimately possess, will enable them to exercise a very dangerous control over both the Bank of England and the government.

If a proprietor in a joint-stock bank is desirous of disposing of his shares, such sale is usually effected by a share-broker, who, after securing a purchaser, gives notice to the bank as follows:—

"To the Directors of  
Gentlemen, —  
Please to prepare the necessary document for transferring  
shares from the name of \_\_\_\_\_ to \_\_\_\_\_ the considera-  
tion for which \_\_\_\_\_ shares is £ \_\_\_\_\_  
of \_\_\_\_\_ Broker, \_\_\_\_\_."

Should the directors approve of the proposed shareholder, the deed of transfer is made out according to a printed form prepared by the bank. Such transfers are liable to a stamp duty according to the following scale:—

When the purchase-money is under	£	s.	d.	For £ 2,000 and under	£	s.	d.
20	0	10	0	3,000	25	0	0
50	1	0	0	4,000	35	0	0
150	1	10	0	5,000	45	0	0
300	2	0	0	6,000	55	0	0
500	3	0	0	7,000	65	0	0
750	6	0	0	8,000	75	0	0
1,000	9	0	0	9,000	85	0	0
2,000	12	0	0	10,000	95	0	0

The latest act in reference to joint-stock banking is the 7 and 8 Victoria, c. 113, entitled, "An Act to regulate Joint-Stock Banks in England"; and, as the provisions of this act introduce for the first time several stringent regulations in respect to all future joint-stock banks, we propose to give an abstract of the material parts of the act.

No joint-stock bank, established after the 6th of May, 1844, to carry on the business of banking unless by virtue of letters patent granted according to this act; but companies previously established not to be affected thereby.

The formation of all future joint-stock banks to be by petition for a charter to the crown, and the deed of partnership to be prepared according to a form to be approved by the Lords of the Committee of Privy Council for Trade and Plantations. Such deed must be executed by the holders of at least one half of the shares in the proprietary stock, the shares to be £ 100 each, and the minimum amount of the capital to be £ 100,000. No company to be permitted to commence business until the deed be executed, all the shares subscribed for, and at least one half the amount paid up.

When the capital is paid and the other conditions are fulfilled, letters patent will be granted incorporating the shareholders as one body politic and corporate, by such name as shall be given to them in and by the said letters patent, and by that name they shall have perpetual succession and a common seal, and shall have power to purchase and hold lands of such annual value as shall be expressed in such letters patent; and such letters patent shall be granted for a term of years not exceeding twenty years, and may be made subject to such other provisions and stipulations as to her Majesty may seem fit.

Incorporation of the shareholders in the bank not to limit their liability for all the dealings, covenants, and undertakings of the company; the liability of all persons to continue three years after they cease to be shareholders.

Three months after the granting of letters patent, and before the commencement of active operations by the bank, an account or memorial of the true title or firm of the company, and also the names and places of abode of all the members of such company, as the same appear on the books, and also the name and place of abode of every director, manager, or other like officer of the company, shall be delivered to the Commissioners of Stamps and Taxes at the Stamp-Office in London, and a similar return every year between the 28th of February and the 25th of March, while the business of banking is continued to be carried on.

There are other regulations, such as power to make and enforce calls, forfeiture of shares, &c., &c., of the usual act of Parliament phraseology, which it is needless here to recite.

The framers of the above act appear to have had in view the entire suppression of all attempts to establish future joint-stock banks, or they never would have passed such very stringent clauses. We are borne out in this assumption by the fact, that no new joint-stock bank has been established since the passing of the act.



The following are the principal heads of the sections of a deed of settlement of a joint-stock bank, divested of their legal phraseology : —

I. Introductory clauses. II. Date of deed. III. Parties to deed. IV. Recital of agreement to become a banking company. V. Appointment of officers.

The parties mutually covenant each other.

1. Title of the company. 2. Capital declared.
3. Number of shares of the parties, together with their places of abode, to be written opposite their names.
4. Number of shares allowed to be held by one shareholder.
5. Payment of instalments and future calls.
6. Power to return unemployed or useless capital.
7. Calls on future subscriptions.
8. Shares to be forfeited on non-payment of calls.
9. Directors may remit forfeiture.
10. When shares vested in two or more persons, one to be appointed to vote.
11. No benefit of survivorship, except as to shares vested in joint tenants, and shares to be considered personal estate ; profit and loss to be divided among the shareholders in proportion to their shares.
12. Nature of business to be transacted.
13. Business to be under the control of the directors.
14. Declaring the present directors.
15. Qualification of directors.
16. Meetings of directors, and number necessary to form a board.
17. Chairmen to be appointed.
18. Power to the directors to purchase, erect, or take suitable offices, and insure them against fire.
19. Power to board of directors to appoint managers and other officers and clerks, and determine the amount of security to be taken from each.
20. Directors to appoint public officers for the purpose of suing and being sued, and also to appoint trustees and auditors.
21. A discount bill committee to be appointed, with power to make advances.
22. Proper books to be kept and balanced twice a year.
23. Annual general meetings fixed.
24. The publication of the assets and liabilities of the company once at least every month.
25. Auditors to make a yearly report and balance-sheet and profit and loss account to every shareholder.
26. Appointment of chairman at general meetings, and mode of voting.
27. No shareholder to be allowed to vote if calls unpaid.
28. Special general meetings may be called by ——— shareholders.
29. If ——— shareholders do not attend, meeting may be adjourned.
30. Minutes of proceedings to be entered in a book.
31. Surplus fund to be formed from the amount of profits.
32. Dividends to be declared half-yearly.
33. Notice of dividends to be given.
34. Dividends and bonuses not claimed in six months from their declaration, to go to the account of the unclaimed dividend fund.
35. Mode of directors retiring from office, and electing new directors.
36. List of persons qualified to be directors to be exhibited in the cashier's office in the bank.
37. Directors to testify acceptance of office, and on neglect interim directors to be appointed.
38. Directors and all other officers of the bank to sign a declaration of secrecy.
39. Directors may resign.
40. Directors and manager may be removed.
41. Power to the directors to appoint sub-committees.
42. Power to the directors to compound for stamps.
43. Directors may make by-laws.
44. Directors may authorize officers of the bank to sign notes and other documents.
45. List of shareholders to be kept, and from time to time amended.
46. Directors may establish branch banks.

47. Board of directors to have the control over all actions brought against the public officer.
48. Power to board of directors to commence legal proceedings against any person or persons, whether shareholders or not.
49. Power to the directors to submit to arbitration, to compound debts, and sign bankrupt certificates.
50. General power to the board of directors to invest surplus funds, and to change securities.
51. The nominal holders of shares to be deemed the real owners, the company not to be affected by trusts.
52. For preventing the company from purchasing any shares, or making advances to any person on the security of the shares.
53. Power to shareholders to sell their shares after ——— date.
54. Directors to determine form of transfer.
55. Shareholder's certificate.
56. Shareholders permitted to inspect books.
57. Husbands, executors, administrators, legatees, guardians, committees, and assigns, may receive dividends due at marriage, death, bankruptcy, or lunacy, of those they represent.
58. Husbands, executors, administrators, legatees, guardians, or committee, to be admitted shareholders on signing their consent to become so.
59. The title of transferees and of representatives becoming shareholders forfeited by not executing or acceding to the deed.
60. Shareholders not required to execute more than once.
61. Shares to be forfeited by non-execution of deed after notice.
62. Power to board of directors to sell shares.
63. Power of general meetings to increase capital, remove directors, repeal or confirm laws.
64. Power of boards of directors to call extraordinary meetings.
65. Receipts of trustees in whom shares are vested to be good discharges.
66. Securities and investments to be under the control of the directors and trustees, who, if required, shall execute a declaration of trust.
67. Receipt of the company's trustees or directors, consisting of not less than three, to be a good discharge.
68. Mode of appointing trustees.
69. Indemnity-clause to directors.
70. Disputes to be referred to arbitration.
71. Company to be dissolved when surplus fund and ——— part of the paid-up capital shall be absorbed and lost.
72. Company may be dissolved by two thirds in number and value of shareholders.
73. Notice to shareholders, how to be given.
74. Construction of language of deed.
75. Deed to be enrolled.
76. Power of attorney to execute duplicate.
77. Conclusion.

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WHAT ARE CONSOLS? — They are a three per cent. English stock, which had its origin in an act of the British Parliament, consolidating (hence the name) several separate government stocks into one general stock, called in the act "Consolidated Annuities," and commonly quoted, for brevity, as "Consols."

When the consolidation took place, the principal of the several funds thus merged amounted to £9,137,821, but by the funding of additional and subsequent loans and parts of loans into this stock, it amounted on 5th January, 1836, to £356,768,258. Since that period, only one loan has been raised, — that for compensation to the West India planters on the emancipation of the slaves, — £20,000,000, — and a few millions have been paid off. The total in January, 1848, was £371,824,981 English debt, and £6,194,874 Irish debt, out of a total debt of £772,401,851 sterling.

This stock, from its amount and the immense number of its holders, is more sensitive to financial influences than any other, and is, therefore, the favorite stock for the operations of speculators and jobbers. Its dividends are payable semiannually.

## LEGAL MISCELLANY.

**LIABILITIES OF BANKS.**—Some of our banks are still under the impression (notwithstanding decisions to the contrary) that they are not liable for any neglect on the part of their notaries in the discharge of their official duties. A late case has come before the Supreme Judicial Court of Massachusetts, which is worth the close attention of bankers; wherein it would seem that a bank is liable to its correspondents and depositors for any laches on the part of its notaries in making a demand or giving notice of protest.

**SUPREME JUDICIAL COURT.**—*Warren Bank vs. Suffolk Bank.*—This was an action by the Warren Bank of Danvers against the Suffolk Bank, for not duly making demand upon the maker of a note, one Simonds, left with them by the plaintiffs for collection. It appeared that the Suffolk Bank had for a series of years collected the Boston notes of the plaintiffs; that on the 21st of July, 1848, the plaintiffs left, among others, a note against Simonds with defendants for collection; that the note was due on the 8th of August following, and, not being paid on that day, was placed by the Suffolk Bank, in the ordinary course of business, in the hands of a notary for demand and protest; that the notary went to the promisor's late place of business and demanded the note, and gave notice to the indorsers that the promisor then lived at another place in Boston, and that his new place of business was mentioned in the Directory.

The plaintiffs had commenced suit against the indorsers, and become nonsuit for want of sufficient demand.

It also appeared, that it had been the invariable custom of the Suffolk Bank, in collecting notes for the plaintiffs, where they laid over, to put them into the hands of a notary for protest, and return them protested to the plaintiffs, and that the plaintiffs had always paid the expenses of the protest, and that this was done in the present case.

Under these circumstances the defendants contended, —

1. That if notice was given to the promisor, Simonds, before said note became due, that it was at the Suffolk Bank and would be payable on the day it became due, and requesting him to pay it, and said note was accordingly at said bank on that day, for payment, till the close of the usual bank hours, it would constitute a demand on the maker, and refusal, upon which, if due notice was given to the indorsers, they would be holden.

2. They also contended, that, if it was the usage of banks in Boston, and of the defendant bank, where notes are sent to them for collection, to keep the same for payment at their bank till the close of the usual banking hours on the day the notes are payable, and then, if not paid, to put them into the hands of a notary public for demand and protest; and that if the defendants did this in the present case, they were guilty of no negligence, and the plaintiffs could not recover.

3. That if the jury were satisfied that the defendants, at the close of banking hours on the day when the note became due, put the same, in the usual course of business at the banks in Boston, in the hands of a notary public for demand and notice to the indorsers, the defendants are not responsible for any negligence on the part of the notary.

They also offer to show the facts necessary to bring their case within these principles. But the Court, for the purposes of the trial, overruled these points, reserving their consideration for the full bench, and thereupon a verdict was taken for the plaintiffs. H. F. Durant and A. Burlingame for plaintiffs; Charles T. Russell for defendants. [For further information on this point, see *Bankers' Magazine*, Vol. I. p. 226; Vol. V. pp. 122, 349.—Ed. B. M.]

## A D I G E S T

OF THE

## DECISIONS OF THE SUPREME COURT OF VERMONT.

Continued from page 920, May No.

29. In an action on promissory notes before a justice of the peace, it must appear from the declaration, or from the indorsement on the notes, that the sum due is less than one hundred dollars, or the suit will be dismissed on motion when the notes are produced. *Perkins v. Rich*, 12 Vt. 595.

30. On the 1st of December, 1835, A executed to B a negotiable note, payable in one year, and on the same occasion, and as a consideration for the note, B delivered to A a deed, and also a writing that, whenever A should redeliver said deed or reconvey to B, then the note was to be void. B indorsed and delivered the note to C, for D, and absconded. Immediately afterwards C informed A thereof, and A exhibited the writing, and offered to return the deed or to reconvey to B or C, and insisted on his right so to do. C declined receiving the deed, and afterwards A caused the deed from B to be recorded. *Held*, that the plaintiff could not sustain an action as indorsee of said note. *Goodall v. Rich*, 13 Vt. 602.

31. Where the plaintiff took a note against two debtors, and also a note against one of the same debtors, and, at the time of taking them, agreed in writing to give up the latter note to the maker on his paying the note signed by both debtors, and further agreed to give twenty days' notice before he called for the money; *Held*, that the agreement to give such notice was without consideration, and that the plaintiff might maintain an action upon the note signed by one of the debtors, the other note not being paid, without giving notice. *Card v. Curtis*, 14 Vt. 236.

32. The inference to be drawn from such an agreement is, that both notes were given as security for the same debt. *Ibid*.

33. It is no valid objection to the sustaining of an action upon a promissory note, by the indorsee, that the note was made payable to the order of one of the members of a firm, and indorsed by him. *Norton v. Downer*, 15 Vt. 569.

34. Such note, when indorsed, is, *primâ facie*, a good cause of action in the hands of an indorsee. *Ibid*.

35. An action on a note, commenced by trustee process under the Rev. Stat., where the cause of action was on a contract entered into previous to January 1, 1839, and the principal debtor, at the time of commencing the suit, is a resident citizen of this State, and not an absent or absconding debtor, or concealed within the State, will be dismissed on motion of the principal debtor. *Hill v. Whitney*, 16 Vt. 461.

36. Where the holder of a note (with other creditors) signed a paper granting a discharge to the maker on his paying a certain per cent. and conforming to certain conditions, all which requirements the maker complied with; *Held*, that the holder of the note could not bring an action upon it, though another debtor who did not sign the paper subsequently recovered the whole of his debt, if no fraud was proved. *Dauchy v. Goodrich*, 20 Vt. 127.

37. A agreed to sell to B a piece of land for twenty-five dollars, and B gave his note for that sum, and took possession of the land, and received from A a contract in writing, that he would convey, if the note were paid, according to its tenor. The note not having been paid at maturity,

A brought ejectment and recovered the possession of the land; *Held*, that, having thus elected to rescind the contract, he could not subsequently enforce payment of the note. *Arbuckle v. Hawks*, 20 Vt. 538.

38. Where a debtor makes an assignment of all his property for the benefit of all his creditors, any one of the creditors, who does not become a party to the deed of assignment, may sustain an action at any time upon his claim against the debtor, even though such creditor may have received from the assignee, out of the trust fund, a payment towards his claim. *Bank of Bellows Falls v. Deming*, 17 Vt. 366.

39. And if there be appended to the assignment an acceptance, to be signed by the creditors, by which those signing agree to await the accounting of the assignee, which acceptance is signed by a large proportion of the creditors, yet no assent to such clause, on the part of a creditor who does not sign such acceptance, will be implied from the fact that such creditor received from the assignee, out of the trust fund, a payment upon his claim, before he commenced any action upon his claim; nor will the acceptance of such payment by him, under these circumstances, preclude him from the right to commence such an action at any time. *Ibid*.

40. But, as against a creditor who signs such acceptance, such clause will operate as a temporary bar of his right of action upon his claim. *Kingsbury v. Deming et al., Windsor Co.*, 1843, cited by Williams, J. *Ibid*.

41. A mere trustee may sustain an action as bearer of a promissory note, made payable to a person specified or bearer, for the benefit of the owner, by his consent. *Boardman v. Roger*, 17 Vt. 589.

42. And such action may be sustained by one as bearer, by direction of the legal owner of the note, though the note may never have been delivered to the person to whom it is made payable, and though his name may have been used as payee without his consent. *Ibid*.

43. When a promissory note is executed, not negotiable, no measure of interest in the note in a third person, whether legal or equitable, will affect the right of sustaining an action upon the note in the name of the payee, with his consent. *Sanford v. Huxley*, 18 Vt. 170.

44. *Semble*, that a promissory note, payable in specific articles, must be sued in the name of the payee, though in terms payable to the payee or bearer. Per Royce, J. *Ibid*.

45. The plaintiff, as payee, held a promissory note against the defendants, for which no consideration had passed between them, but which they had consented that a third person might hold as collateral security for a debt due from the plaintiff, and the plaintiff himself paid the note thus secured, and received the note; *Held*, that he could maintain no action on the note for his own benefit. *Sargeant v. Sargeant*, 18 Vt. 371.

46. Where the plaintiff delivered property to A & B, and executed to them, by the name of A & B, a bill of sale of the property, in which he acknowledged receipt of payment by note, and the note which he received was by B signed "A & B," and it appeared in evidence that there was in existence at that time, doing business, such a firm as

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"A & B," consisting of those two individuals; *Held*, that the plaintiff could not recover on the note against another firm, of different style, consisting of the same A & B and a third person, notwithstanding it might appear that the latter firm was also then doing business at the same place, there being no testimony even tending to prove that the latter firm had, at any time, done any act which could have induced the plaintiff to believe that A & B had ever been authorized to use their own name and style for the purposes of the other firm; and that, upon this testimony, it was improperly left to the jury to find whether the note was executed and received by the plaintiff as the note of the latter firm. *Miner v. Downer*, 19 Vt. 14.

47. If a promissory note be made payable to A. B. or order, and A. B. indorse the note in these words: "Pay the contents of the within note to C. D.," — the legal effect will be the same as though the note were indorsed to C. D. or order, and the indorsee of C. D. may maintain an action against A. B. as indorser. *Hodges v. Adams*, 19 Vt. 74.

48. One of two joint contractors, having paid the whole debt, may sustain his action for contribution against his co-contractor, notwithstanding the statute of limitations had run upon the claim at the time the payment was made. *Mills v. Hyde*, 19 Vt. 59.

49. Where one of several joint contractors pays the whole debt, he may, in an action at law against a co-contractor for contribution, prove the insolvency of any of the other joint contractors, and recover an aliquot part of the whole debt, having regard only to the number of solvent contractors. *Ibid*.

See *Banks and Banking*, 1, 9; *Negotiability and Transfer*, 8, 13, 17; *Presentment, Demand, and Notice, Necessity of*, 1; *Rights and Liabilities*, 31, 63, 67, 71, 72; *Indorsers, Guarantors, and Sureties*, 27, 28, 42, 55, 68; *Limitations; Pleadings and Evidence*, 61, 64, 70, 71, 102, 105, 197.

## 2. When subject to Equities between other Parties.

1. When an action is brought by an indorsee against two upon their joint note, the individual demands of either may be pleaded in set-off to the note. *Ashley v. Willard*, 2 Tyler, 391.

2. A purchaser of a note not negotiable will not be protected against a payment to the original payee, or discharge by such payee, although the promisor had notice of the transfer. *Adams v. Johnson*, Brayton, 55; *Beckwith v. Hayward*, *Ibid.*; *Wetmore v. Blush*, *Ibid.* This doctrine is overruled by *Strong v. Strong*, 2 Aik. 373.

3. In an action upon a negotiable note, brought by the indorsee against the maker, indorsed and sued before the statute of 1818, concerning pleading in set-off, the defendant cannot plead in set-off damages for breach of a covenant of warranty in a deed executed by the original payee. *Haynes v. White*, Brayton, 218.

4. The equitable interest of the assignee of a non-negotiable note is protected at law against a fraudulent discharge by the nominal plaintiff to the defendant, obtained after notice to the defendant of the assignment, and evidence of such assignment and notice before action brought is admissible under the general issue. *Strong v. Strong*, 2 Aik. 373.

5. The indorsee of a note takes it subject to the rights of the maker against the payee, and the maker may file a book account as a set-off in an action against him by the indorsee. *Martin v. Trobridge*, 1 Vt. 477.

6. The indorsee of a promissory note sued the maker, who wished to set off certain notes which he held against the original payee of the note; *Held*, that it could not be allowed, unless he had notified the payee that he held such notes before the assignment to the plaintiff. *Parker v. Kendall*, 3 Vt. 540.

7. The demands proper for a set-off, in an action on a note payable to bearer, are such as defendant could have pleaded if the action had been brought by the original payee of the note. *Ibid*.

8. Since the repeal of the statute allowing the maker of a promissory note to avail himself of all equitable defences, even against a *bonâ fide* indorsee, such defences cannot be insisted on, unless the note was negotiated after it was due. *Britton v. Bishop et al.*, 11 Vt. 70.

9. But if a note is negotiated when overdue, the holder is liable to all defences pertaining to the note, or arising out of any agreement between the parties, either express or implied. *Ibid*.

10. Part payment may be taken advantage of without a plea, and even after default. *Ibid*.

11. A executed his note to B payable to his order, which was indorsed to C, and notice given to the maker. Before such notice A signed a note, with B as surety, to E, and which A had agreed to pay prior to notice, but which he did not pay till after notice; *Held*, that said payment by A was not such a claim against B as to enable him to offset the same against C, the indorsee, under the statute of 1793. *Sherwood v. Francis*, 11 Vt. 304.

12. A note payable on demand, and indorsed two days after date, is not to be considered overdue, so as to enable the maker, in a suit by the indorsee, to avail himself of any equitable defence which he might have made if the suit had been brought in the name of the payee. *Dennett v. Wyman*, 13 Vt. 485.

13. What is a reasonable time in all questions relating to the negotiability of notes is to be determined by the court. *Ibid*.

14. As a general rule, a note or bill may be said to be "overdue" when the period has elapsed in which it should have been presented. At all events, a note *on demand*, when the parties all reside in the same vicinity, is to be considered overdue in two months, and subjects the holder to such equities as exist between the original parties. *Camp v. Scott*, 14 Vt. 387.

15. (In Equity.) A negotiable note assigned by parol, after it has ceased to be current, is subject to all the equities existing at the time between the original payee and maker. *Ketchum v. Foot*, 15 Vt. 258.

16. A promise without consideration by the maker to the assignee of a note, after assignment, to pay the demand, and which had in no way been made the basis of action, or an occasion of prejudice to the assignee, cannot, as a matter of law, estop or conclude the maker from setting up an equitable set-off against the assignee, which existed against the assignor at the time of the assignment. *Ibid*.

17. Before accounts can be set off in chancery, they must be liquidated. *Ibid.*

18. Where the assignee of a note instituted a suit on it in the name of the payees, and the maker filed a declaration on book account in set-off, against one of the payees, to whom the note belonged, and from whom the assignee claimed, and there was a judgment to account, and a trial before the auditors, at which the assignee appeared and defended; *Held*, that the report of the auditors, which had been returned to and accepted by the court, was a sufficient liquidation of the account to make it the basis of a set-off in chancery against the assignee. *Ibid.*

19. The repeal of the proviso to the statute of 1798, allowing equitable defences to promissory notes negotiated, took full effect on the first day of January, 1837, and cut off all such defences accruing after that date, though the notes bore date anterior to that time. *Farr v. Brigham*, 15 Vt. 557.

20. Such defences depend on the law in force at the time they accrue, and not necessarily upon the law in force at the time the contract was executed to which they are offered. *Ibid.*

21. In an action on a negotiable promissory note, which is sued in the name of an indorsee, the defendant cannot, under the statute of this State, plead in set-off a claim in his favor against the payees of the note, notwithstanding it appears that the indorsee holds the note in trust for the payees, and that the suit is for their benefit, for purposes of collection merely. *Adams v. Bliss*, 16 Vt. 39. (The cases *Mott v. Mott*, 5 Vt. 111, and *Snow v. Conant*, 8 Vt. 301, commented on.)

22. If the holder of a promissory note, not indorsed, hold it as collateral security merely, or have taken it overdue, the makers of the note may make the same defence to it, when sued, that they could if the note were sued in the name and for the benefit of the payee. *Sargeant v. Sargeant*, 18 Vt. 371.

23. But if the makers of a note, for which no consideration has passed, are applied to for information by a third person, who is about to become holder of the note as collateral security, and assure him that the note is due, and subject to no set-offs, they will thereby be precluded from setting up want of consideration as a defence to the note, when sued by such third person in the name of the payee, even though they made such assurances under a mistake of fact. *Ibid.*

24. But the defendant will only be thus precluded while the holder retains the note for the particular object for which he first obtained it, and if he would retain it for any other purpose he must obtain the consent of the makers, first informing them of the termination of their liability upon the prior transaction. *Ibid.*

25. (In Equity.) B. and H. were partners, B. furnishing the capital stock, and it was agreed between them that B. should continue to furnish a certain amount of capital, and that, in lieu of interest and profits, H. should pay him a specified sum each year during the continuance of the partnership. Subsequently B. and M. formed a copartnership in the same business, and became the successors of B. & H., the firm of B. & H. continuing only for the purpose of closing the former business;



and M., who was the active partner, paid from time to time, at the request of H., with the property of B. & M., debts due from the former firm, and charged the same to B. & H. upon the books of B. & M., and also received a note from H. signed with the name of the former firm, and also, for the purpose of paying a note due from a third person to B. & H., executed a negotiable promissory note to H. alone. This note was afterwards put in suit in the name of an indorsee, before the repeal of the statute allowing the maker of a negotiable note to have the benefit, as against the indorsee, of all legal and equitable defences to the note. And it was *held*, upon a bill in chancery brought by B. & M. against H. and the indorsee of the last-named note, that the account charged upon the books of B. & M. to B. & H., and the note held by B. & M., signed with the firm name of B. & H., must be set off against the note executed by B. & M. to H., and sued in the name of the indorsee, it appearing that H. had become insolvent. *Blake v. Langdon*, 19 Vt. 485.

See *Negotiability and Transfer*, 6, 7; *Defences*, 48.

### 3. *Defences.*

1. An execution issued upon a judgment rendered in an action on a note in the hands of a *bonâ fide* assignee cannot be stayed by showing the sheriff a written discharge from the nominal plaintiff, the assignor. *Lampson v. Fletcher*, 1 Vt. 168.

2. In a compromise upon a subscription to a college, the giving of notes on one side, and the discharge of the subscription on the other, afford no legal presumption of a settlement, unless the defendant knew all the grounds of his defence at the time. *President of Middlebury College v. Williamson*, 1 Vt. 212.

3. Defendant is not precluded by such notes from making a defence which existed at the time they were given, but of which he was ignorant. *Ibid.*

4. The receipt of a nominal payee of a note, given in fraud of a third person, for whose benefit the note was made, is void. *Haven v. Hobbs*, 1 Vt. 238.

5. In an action on a promissory note, given for the purchase of a patent, it is not relevant for the defendant to show in defence that the invention was useless. *Williams v. Hicks*, 2 Vt. 36.

6. Nor is it a good defence that the defendant was induced to purchase the same upon false representations as to its value. *Ibid.*

7. In an action on a note given by the father to the mother of a bastard child, to procure the discharge of a prosecution against him, *held*, that it was no defence that the father was compelled to give bonds to the town as security against the support of said child. *Knight v. Priest*, 2 Vt. 507.

8. It is a good defence to a note given in satisfaction of a judgment, that such judgment has been reversed. *Dennison et al. v. Brown*, 3 Vt. 170.

9. The discharge by the signer of such note of an *audita querela* sued out against himself and another, but decided to be inoperative, does not alter the case. *Ibid.*

10. Plaintiff brought an action before a justice of the peace on a small note due from A, and also for money had and received, and money paid, and obtained judgment by default. He then, without attempting to prove the common counts, had included in the damages, in addition to said note, another note, not negotiable, made by A to a third person. *Held*, that the judgment could not be set aside by *audita querela*. *Foster v. Stearns*, 3 Vt. 322.

11. It is no defence in an action against an original plaintiff for what was done under his execution, that he had sold the note upon which judgment was rendered before he brought his action. *Tichout v. Cilley*, 3 Vt. 415.

12. A gave certain promissory notes against C to B, a constable, to satisfy executions which he held, but B, though he collected the same, did not so apply them. A thereon sued B on book account, and among other items claimed the amount of the notes delivered to him; and B also claimed the amount of the executions against A. *Held*, that the notes were not properly charged, but that B, by claiming the executions against A, had made the notes a proper matter of settlement between them. *Farrand v. Gage*, 3 Vt. 326.

13. A bought a horse of B, and gave him the note of a third person in part payment, it being also agreed that, on failure of A to furnish, within a certain time, good security for the balance, the horse should be returned, but the note should become the absolute property of B. Having given no security, A returned the horse and demanded the note, which B refused to deliver up. B afterwards told A he would give him the note if he came after it, but would hold him liable in damages, but when A came he again refused. A thereon brought *assumpsit*, and it was *held*, that the note was the legal property of B, and that the promise to redeliver the same was void for want of consideration. *Larabee v. Obit*, 4 Vt. 45.

14. A, one of the signers of a promissory note, gave to B, the payee, his order on C for a portion of said note, which, if paid, was to be in full satisfaction of A's share of said note, and B was to look to the other signer for the balance; *Held*, in an action by B against A, that receiving the order from A, even if it were paid by the drawee, or if he was prevented from so doing by the misconduct of the plaintiff, was no valid defence to the action on the note. *Wright v. Allen*, 4 Vt. 572.

15. An accord without a satisfaction is no bar to an action on a promissory note; but a contract under seal for the delivery of certain property, as payment of the note, gives the right to an action on the contract, and is a bar to an action on the note. *Bryant v. Gale*, 5 Vt. 416.

16. In an action on two promissory notes brought by the administrator of the intestate, the defendant, one of the heirs of the estate, pleaded that he appeared on his own account before the Court of Probate to oppose the allowance of the administrator's account, whereon, to procure a withdrawal of the objections, the administrator executed to him a discharge of the notes which he held against him; *Held*, that the discharge had good consideration, and would prevent a recovery on the notes. *Holbrook v. Blodget*, 5 Vt. 520.

17. A receipt in full, given by a person supposing his claim amounted to a certain sum only, when he had the means of ascertaining the exact amount, and was told that it would be a discharge of his whole demand, is a discharge in full, though the claim should prove greater than was supposed. *Ibid.*

18. If A requests B to purchase a note against himself, and afterwards promises to pay the amount to the purchaser, in an action by the latter he cannot set up want of consideration as a defence. *Bliss v. Rollins*, 6 Vt. 529.

19. A procured B to purchase a note against him, contracting to pay a certain sum, and after the purchase denied the agreement, and refused to pay said sum, or carry the agreement into effect; *Held*, in an action by B as indorsee of the note, that A cannot set up said agreement in defence. *Raymond v. Williams*, 7 Vt. 230.

20. Where the co-signer of a note as surety for the other signer merely is appointed agent of the creditor, and collects the note, *held*, that such payment is a good defence to a subsequent action on the note. *Williams v. Baldwin*, 7 Vt. 503.

21. A promissory note given to compromise a contingent liability cannot be avoided by showing that the maker of the note was not in fact or in law liable. *Holcomb v. Stimpson*, 8 Vt. 141.

22. A brought two suits against B, one on a note, and the other for debt due on book account, and B filed his book account in set-off to the action on the note; *Held*, that in such a case B could not thus apply his account on the note. *Davis v. Barton*, 8 Vt. 246.

23. A indorsed a negotiable note to B, directing unqualifiedly that payment should be made to him. In an action on such note, *held*, that it was no defence that the indorsement was without valuable consideration, if the transfer be not tainted with illegality or fraud. *Snow v. Conant*, 8 Vt. 301.

24. It is no defence to an action on a subscription paper against the individual signers, that the whole sum subscribed exceeded the amount to be raised, but the subscription should abate *pro rata*. *State Treasurer v. Cross et al.*, 9 Vt. 289.

25. L. conveyed to M. a tract of land subject to a lease, part of which expired the 1st of February, and the rest the 1st of May, and subject also to a mortgage to D. of about \$700, covenanting that the mortgage should be discharged before the expiration of the lease, or that M. need not make any further payments on the notes given for the purchase-money, \$300 of which were paid when the deed was given. In an action on one of the notes, *held*, that the ambiguity arose from the testimony showing the payment of the \$300; that the parties meant, by the "expiration of the lease," the 1st of February; that the failure of L. to discharge the mortgage to D. before that time released all the notes given for the purchase-money. *Foot v. Maxham*, 9 Vt. 223.

26. A gave a note payable to B or bearer, and, before he was notified of any transfer thereof, a judgment was rendered against him for the same as trustee of B. This is a good defence to an action afterwards brought against him by C, as the bearer of said note. *Evarts v. Gove*, 10 Vt. 161.

27. In an action on a note; *held*, that when a bill in chancery is regularly dismissed upon its merits, having passed upon the matter of the bill, or in pursuance of an agreement between the parties, it is equally conclusive upon them. *Pelton v. Mott*, 11 Vt. 148.

28. A settlement between two parties is *primâ facie* a settlement of all demands, but it is not a good defence to a note not included in that settlement. *Nichols v. Scott*, 12 Vt. 47.

29. It is no defence to a note that the consideration thereof was a promise by the payee to give a deed of a pew by a certain time thereafter, which was not done within the time specified, nor until after the commencement of an action on the note. *Chapman v. Eddy*, 13 Vt. 205.

30. Where a promissory note is made payable upon a contingency, it is a good defence to a trustee process under the statute of 1797, that the contingency still exists. *Burke v. Whitcomb*, 13 Vt. 421.

31. A, B, and C executed notes to E, on the purchase of a saw-mill. Afterwards, A sold to B his share, without making any contract that B should indemnify him against the note to E. B and C afterwards sold the mill to F. *Held*, that A could not defend against the notes he gave to E, in consequence of any executory contract between E and B, to which A was no party. *McGregor v. Bugbee*, 15 Vt. 734.

32. *Held*, also, that B could lawfully dispose of the notes or property received on his sale to F, without applying the proceeds to the benefit of A. *Ibid.*

33. Where the plaintiff had obtained judgment and execution in an action on a promissory note signed by the defendant and two others as sureties, and also held a note, signed by the defendant and another as sureties, which was void as against the sureties, but for which the plaintiff had paid a valuable consideration, and the plaintiff proceeded with an officer to the defendant's house, and turned out to him to be taken all the defendant's property that could be found, and, while the property was in the officer's possession, told the defendant that he would collect the whole of said execution out of his property unless he secured to him one half of the void note and one third of the amount due on the execution, in which case he would collect the remainder of the other execution debtors, and the defendant thereupon executed his notes, with surety, one for half of the void note, the other for his share of the execution; *Held*, that the giving such notes was voluntary, and that the facts did not show any such oppression or duress on the part of the plaintiff, as would entitle the defendant to resist payment of the note given for the half of the void note. *Brown v. Tyler*, 16 Vt. 22.

34. In an action upon a note, where there has not been an entire failure of consideration, and no offer has been made on the part of the defendant to rescind the contract, he cannot set up, as a defence, that there was fraud in the contract on which the note was given, especially when the damages are unliquidated. *Stone v. Peake*, 16 Vt. 213.

35. If the defendant would rely upon proving fraud as a defence to an action upon a note, where there has been only a partial failure of consideration, he should first offer to rescind the contract, so as to place the parties *in statu quo*, if he has it in his power so to do. *Ibid.*

36. A, holding two promissory notes against B, both of which were due, promised B, that, if he would pay the amount due upon one of the notes, he would extend the time of payment of the other note one year; and B thereupon borrowed the money and paid the note mentioned in the offer. *Held*, that the promise made by A was without consideration, and that it was no bar to an action on the other note, commenced within the year. *Pomeroy v. Slade*, 16 Vt. 220.

37. If it be agreed between the parties to a promissory note that payment of the note may be made in a particular manner, a performance of that agreement on the part of the maker, before action brought, will be a defence to an action against him on the note. *Gilson v. Gilson*, 16 Vt. 464.

38. If, upon a note payable in leather, on a given day, the defendant turn out leather unsealed, which, by law, is required to be sealed before it is offered for sale, or if he turn out leather which has been sealed as bad leather, such tender cannot avail the defendant as a bar to an action on the note. *Elkins v. Parkhurst*, 17 Vt. 105.

39. It is no defence to an action on a note, that the note was secured by mortgage, and that the mortgagee has obtained a decree of foreclosure, if he have not enjoyed the premises, nor taken, nor attempted to take, possession of them. *Austin v. Howe*, 17 Vt. 654.

40. To an action upon a promissory note payable in specific articles, commenced against the maker in the name of the payee, the defendant pleaded in bar, that the consideration of the note accrued from one G., and that the note was made payable to the plaintiff at the request of G., without the knowledge of the plaintiff, and that subsequently the defendant was summoned, in an action against G., before a justice of the peace, as trustee of G., and appeared and disclosed the above facts, and that the present plaintiff also then appeared, as claimant, and that judgment was rendered by the justice against G., and also judgment that the defendant was chargeable as the trustee of G. for the amount of the note, and that the defendant, then trustee, appealed from said judgment, and, more than twelve days before the term to which the appeal was taken, tendered before the justice a confession of judgment in favor of the plaintiff in that suit, and the justice thereupon rendered judgment by confession, that he was chargeable as trustee, and also affirmed the judgment against the principal debtor, which judgments were still in force. *Held*, on general demurrer, that the plea disclosed no defence to the action. *Sanford v. Huxley*, 18 Vt. 170.

41. (In Equity.) Any defence which might be interposed at law to defeat a recovery upon a note, or a portion of it, must be so interposed, or it is concluded by the judgment. *Day v. Cummings*, 19 Vt. 496.

42. A tender, made in the absence of the party to whom by the terms of the contract it is required to be made, to constitute a defence to an action on a note, must be made before the evening of the day on which the note falls due. And there is no difference, in this respect, between a tender of money and that of specific articles. *Sweet v. Harding*, 19 Vt. 587.

43. Where an infant sold a clock and a horse for a harness and two

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promissory notes, and falsely and fraudulently warranted the horse to be safe and kind, and it appeared that the horse had such an inveterate habit of kicking as to render him worthless; *Held*, that the infant must either affirm or avoid the entire contract; and if he choose to affirm it, after he becomes of age, by bringing an action upon the notes given upon consideration of the sale, he cannot, upon his plea of infancy, preclude the defendant from taking advantage of the false warranty, in any proper manner, as a defence. *Morrill v. Aden*, 19 Vt. 505.

44. *Held*, also, that there was not such an entire failure or want of consideration as to constitute a defence to the notes, notwithstanding the clock had not been in fact delivered by the plaintiff. But that the failure of the consideration was such as to authorize the defendant to rescind the entire contract; and it appearing that he had offered to do so in reasonable time, and that the plaintiff had refused to receive the horse and surrender the notes and harness,—this constituted a sufficient defence to an action upon the notes. *Ibid*.

45. Under the statute of this State (Revised Statutes, c. 34, sec. 1), pleas in set-off are only allowed between the actual parties to the suit. *Phelps v. Bulkeley*, 20 Vt. 17.

46. In an action on a promissory note, payable to A or bearer, and which is sued in the name of B, as bearer, the defendant cannot plead in set-off a note executed by A, which he holds as bearer, although it appear that the plaintiff holds the note in suit in trust for A, the payee, and that the defendant, before any transfer of the note in suit, gave notice to A that he was the owner of the note which he now attempts to plead in set-off. *Ibid*.

47. Where the maker of certain negotiable promissory notes executed a sealed instrument, certifying "to all persons" that he had signed the notes, and waiving all benefit of the statute of limitations, and agreeing to pay the notes "the same as though the statute of limitations had not run upon them"; *Held*, that this instrument did not afford a remedy, by action upon it, coextensive with the remedy by action upon the notes, and that it was evidently not the intent of the parties that it should supersede the notes, and that therefore it was not a bar to an action upon the notes, but could only be used in aid of such action. *Langdon v. Paul*, 20 Vt. 217.

48. It is no objection to a recovery upon promissory notes, that they were secured by mortgage, and that the mortgage has been foreclosed, and that the notes, with others secured by the same mortgage, were described in the bill of foreclosure, if it appear that these notes were not presented to the master in chancery upon the taking of the account, and were not included in the decree of foreclosure. A mortgagee is not obliged to foreclose for all his notes. *Ibid*.

49. The maker of a promissory note, when sued by an indorsee, cannot plead in set-off, even though the note were indorsed overdue; but he is entitled, under the general issue, to make any defence which grew out of the note transaction, or out of any agreement between himself and the payee in relation to it. *Walbridge v. Kibbee*, 20 Vt. 543.

50. A partial failure of the consideration of a note will not constitute

a defence for the defendant in an action upon such note, if there has been no offer on his part to rescind the contract. *Burton v. Schermerhorn*, 21 Vt. 289.

51. If a plaintiff declare upon a promissory note, and the defendant file a declaration on book account under the ninety-third section of the judiciary act, it is no sufficient bar to such declaration that the items in such book account were received by the plaintiff in pursuance of an agreement by which the amount of them was to be allowed on the promissory note, as the object of the statute in filing the declaration on book account is merely to liquidate the account, that the judgment recovered under it may be pleaded in set-off to the plaintiff's demand upon the promissory note. *Blackmore v. Page*, 2 Tyler, 110.

52. A is indebted to B on a negotiable note, but B owes C a larger amount, and proposes to secure C by a mortgage of land, on which D has a prior mortgage. B and C apply to A, who promises to pay the amount due on his note in favor of B to D on his mortgage; whereupon C gives further time to B, and accepts the security proposed; afterwards, B indorses the note to E *bonâ fide*, E having no notice of the agreement between A, B, and C. A does not pay D until after the note falls due, and after notice from E. *Held*, that the liability to C, so long as it continued, is a good defence against a suit on the note, in favor of either B or E. *Lewis v. Holly*, Brayton, 204.

See *Indorsers, Guarantors, and Sureties*, 46; *Actions, when and by whom maintainable*, 9; *Pleadings and Evidence*, 10, 52, 53, 117, 133, 138, 140, 155, 156.

#### 4. Limitations.

1. The statute of March 10, 1787, limits the actions on promissory notes to six years after the passing of the act. The legislature, in October, 1787, suspended its operation; but on October 28, 1790, it provided that the act of March 10, 1787, should be construed as taking effect from December 1, 1787; and it was held, that the act of 1790 was valid, and would operate to bring a note, executed in November, 1787, within the limitation of six years. *Bailey v. Russell*, 1 Tyler, 334.

2. A note payable in specific or collateral articles is a promissory note under the statute of limitations, and is not, if witnessed, barred till fourteen years. *Meed v. Ellis*, Brayton, 203; *Bragg v. Fletcher*, 20 Vt. 351.

3. A declaration, describing a note, without any consideration expressed in the note, but describing a consideration distinct from the note itself, sets forth a note within the statute of limitations. *Leonard v. Walker*, Brayton, 203.

4. A promise to pay certain notes, signed by the promisee and another, is broken when the notes become payable; and the statute of limitations then begins to run. *Crofoot v. Moore*, 4 Vt. 204.

5. The statute of Lower Canada providing that suits on promissory notes shall be brought within five years, &c., is a statute of limitation affecting the remedy only, and has no force in this State. *Cartier v. Page*, 8 Vt. 146.

6. The death of a creditor, after an action has accrued against him, does not interrupt the running of the statute of limitations. *Conant v. Hitt*, 12 Vt. 285.

7. Payments made by one of two or more joint contractors will take the case out of the operation of the statute of limitations, as to the other contractors. *Joslyn v. Smith*, 13 Vt. 353.

8. The statute of limitations does not commence running on a guarantee that a note, payable at a future day, "is due, and that the maker has nothing to file against it" until the note becomes due. *Adams v. Clarke*, 14 Vt. 9.

9. The statute of 1832, in regard to the limitations of actions, providing that, "if any person shall go from this State before the cause of action shall be barred," the time of such absence shall not be reckoned in determining the time within which such cause of action shall be barred, was not intended to operate upon causes of action which were then clearly barred by the operation of the previous statutes of limitation. *Lowry v. Keyes*, 14 Vt. 66; Bennett, J. dissenting.

10. In an action on a promissory note, where the maker, after the statute of limitations had run, said it was a just debt, and ought to have been paid, but he became poor and could not pay it, but that he would pay one half of it at a future period if the payee would give up the note; *Held*, that such an acknowledgment did not take the case out of the statute of limitations. *Cross v. Conner*, 14 Vt. 394.

11. An acknowledgment, by a debtor, that certain notes exist, and that he has an account to go against them, and a promise to call in a certain time, and have the notes and account settled, are sufficient to remove the bar interposed by the statute of limitations. *Chapin v. Warden*, 15 Vt. 560.

12. Where there is no dispute about the facts which are insisted on as taking a case out of the statute of limitations, the question involved is one of mere law; but where the facts are doubtful, it is a mixed question of law and fact. *Ibid*.

13. If a debtor, owing several demands to his creditor, make a general payment, and neglect to direct its application, the right of designation belongs to the creditor; yet he must make an application to which the debtor could not justly or reasonably object. Therefore, where the demands consisted of three notes, all of which were barred by the statute of limitations, and the debtor made a general payment, it was *held*, that the creditor might apply it upon which note he pleased, and that he might indorse it, if he so chose, upon the largest note, although it was subsequent in date to the others, and that the effect would be to take the note, upon which the application was made, out of the statute of limitations; but that he could not divide the payment among all the notes, indorsing a part on each, and claim that all were taken out of the operation of the statute. *Ayer v. Hawkins*, 19 Vt. 26.

14. A promise to pay, as soon as the debtor can, a note barred by the statute of limitations, is sufficient to take it out of the statute; it is not necessary for the plaintiff to show that the defendant is of sufficient ability to pay the note, in order to entitle him to recover. *Cummings & Manning v. Gassett*, 19 Vt. 308.



15. (In Equity.) The statute of limitations does not begin to run upon a note until the principal, or at least some separate and distinct portion of the principal, becomes due and payable, and then only upon such distinct and separate portion. The interest accruing from year to year is not thus separated from the principal demand, and consequently the statute of limitations does not run upon it until the principal is barred by the statute. *Grafton Bank v. Doe*, 19 Vt. 463.

See *Actions, when and by whom maintainable*, 49; *Pleadings and Evidence*, 31, 39, 80, 153, 154.

#### 14. Payment.

1. A receipt in full of a certain note is *prima facie* evidence of final payment of the note. *Paige v. Perno*, 10 Vt. 491.

2. Where the defendants gave to the plaintiffs a note payable in good cooking-stoves, at the furnace price, in fifteen days from date, if demanded; and cooking-stoves were afterwards delivered upon orders of the plaintiffs, to be applied on the note to the full amount, at the furnace price; but some of them on use cracked in the fire and fell to pieces; *Held*, that, the defects being latent and unknown to the parties at the time, the delivery and receipt of the stoves was a satisfaction of the note, notwithstanding the defects in the stoves. *Barrett v. Hall*, 1 Aik. 269.

3. A foreclosure of the equity of redemption upon a mortgage does not operate as a discharge of a note secured by the mortgage. And the mortgagee may, notwithstanding such foreclosure, sue for and recover the debt secured by his mortgage; but such recovery is good cause for opening the decree of foreclosure. *Strong v. Strong*, 2 Aik. 373.

4. A held a note against B, and received certain articles from B to be applied thereon, but he refused thus to apply them. B brought an action to recover the articles, and it was *held*, that the action would not lie, and that his remedy was to apply his account on the note when A should attempt to collect it. *Stevens v. Tuttle*, 3 Vt. 519.

5. A and B made a joint and several promissory note to C. Judgment having been obtained on the note against A, he was committed to jail, gave a jail bond, and was admitted to the prison liberties. A afterwards paid part of the debt, and C thereon discharged the bond. In an action against B, the other maker of the note, it was *held*, that the discharge of the bond was a complete discharge of the debt. *Hyde v. Long*, 4 Vt. 531.

6. An agreement at the time of sale, that the notes given for the purchase of a farm may be satisfied by paying an encumbrance on the farm, is binding on the party, and not revocable at pleasure. *Joy v. Hull*, 4 Vt. 455.

7. Payments made pending the action are to be deducted in making up judgment. *Ibid.*

8. The executors of an estate took a note to themselves as executors for the effects, commenced an action on the note, and were then removed, and an executor *de bonis non* appointed, who discharged the suit,

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and took a new note to himself for the amount of the debt, which was paid; *Held*, that this was not a valid payment of the first note, unless the executors assented to the same being paid to the executor *de bonis non*, either before or after the payment. *Nason v. Potter*, 6 Vt. 28.

9. In such case the presentment by the first executor of his account to the Court of Probate for allowance, claiming said payment as credit, is *prima facie* evidence of his assent to the receipt of the same by the executor *de bonis non*. *Ibid*.

10. Where A, who has two demands against B, holds the note of C as security for the one, and a pledge of property for the security of the whole, if he sells the pledge for enough to pay both demands, it will be a satisfaction of both. *Strong et al. v. Wooster*, 6 Vt. 536.

11. A note was given to the selectmen of three towns, and was prosecuted to final judgment in the name of said towns by a special agent appointed by one of the towns, and the money was collected by the sheriff and paid to said selectmen; *Held*, that they were not authorized to receive the money and discharge the sheriff. *Middlebury, New Haven, and Bristol v. Rood*, 7 Vt. 125.

12. A payee of a joint and several promissory note sued one of the signers, obtained judgment, and committed him to jail, who thereupon gave a bond to procure the liberties of the jail. Afterward the other signer purchased the judgment and took an assignment of it and the creditor's interest in the bond, and the imprisoned debtor then left the jail. *Held*, that the purchase was a payment of the debt, and no action could be maintained on the jail bond. *Allen v. Ogden et al.*, 12 Vt. 9.

13. A debtor paying money on a note or other debt has the absolute right to direct its application; or its intended application may be inferred from circumstances. In default of these the creditor may apply the same as he pleases, at any time before a controversy arises; and in failure of all these, the law will make such an application as is just and proper. *Robinson et al. v. Doolittle*, 12 Vt. 246; *Boutwell v. Mason et al.*, 12 Vt. 608; *Rosseau v. Cull*, 14 Vt. 83.

14. A and brothers, partners, sold and transferred an account of \$1,800 against the defendant to a stranger, for forty cents on the dollar. The defendant had previously given a note, payable to one of the firm, and for their benefit, in part payment of that account, which had not been credited. The defendant afterwards paid the assignee the amount paid by the latter for the account, and was discharged by the assignee. *Held*, that these facts constituted a payment of the note so given. *Heartt v. Johnson*, 13 Vt. 89.

15. Where the firm of E. T. & D. executed notes to E. & L., and, failing to pay them at maturity, E. & L. charged the notes to the private account of E., with his consent, and gave them up to E., it was a payment of the notes as it respected E. T. & D. also. *Emerson v. Torrey & Dudley*, 10 Vt. 323.

16. The defendant, to pay a note payable in the month of February, in good, well-finished ploughs, on the last day of the preceding January set apart, at the place of payment, ploughs of the description required, marked with the plaintiff's name, sufficient to pay the note, and the

ploughs remained at that place in the same condition, for the purpose of paying the note, from that time through the month of February; *Held*, that a second turning out of the property, in direct terms, in the month of February, would be a useless act, and not required to bar an action, and that the property in the ploughs vested in the plaintiff, and the note was thereby paid. *Gilman v. Moore*, 14 Vt. 457.

17. If after this the ploughs were still permitted to remain at the same place, it could not affect this question, though the property might afterwards have been damaged, or carried away by some one, through the negligence of the defendant. *Ibid*.

18. Where the plaintiff held notes against the defendant, which were dated more than six years before the commencement of his action, and the jury found the fact, that within six years the defendant made a general payment to the plaintiff on account of some one or more of the notes, or of the indebtedness manifested by them, it was *held*, that a promise of further payment must be implied. It is not essential that the defendant should have recollected the giving of the notes, at the time of making the payment, if he was aware of the indebtedness for which they were given, and acted with reference to it. *Ayer v. Hawkins*, 19 Vt. 26.

19. (In Equity.) Courts are never at liberty to presume payment of a note from mere lapse of time, in any period less than that which is fixed by the statute of limitations. *Grafton Bank v. Doe*, 19 Vt. 463.

20. (In Equity.) Where usury has been paid upon a note, in pursuance of a contract made at the time of its execution, and the payee seeks afterwards to enforce the collection of the note by a suit at law, a court of equity, upon a bill brought by the maker of the note, will order that the sum so paid be allowed as a payment upon the note, computing simple interest. *Day v. Cummings*, 19 Vt. 496.

21. Where a party makes an offer of a certain sum to settle a claim upon a note, where the sum in controversy is open and unliquidated; and attaches to his offer the condition, that the same, if taken at all, must be received *in full*, or *in satisfaction* of the claim in dispute, and the other party receives the money, he takes it subject to the condition attached to it, and it will operate as an accord and satisfaction, even though the party at the time of receiving the money declare that he will not receive it in that manner, but only in part satisfaction of his debt, so far as it will extend. *McDaniels v. Lapham*, 21 Vt. 222.

See *Rights and Liabilities*, 74; *Actions, when and by whom maintainable*, 40; *Pleadings and Evidence*, 1, 59, 92, 129.

## 15. Pleadings and Evidence.

1. In an action upon a promissory note, the defendant, having paid, in discharge of the note, sundry articles of merchandise, the common subject of charges on book, is not obliged to file his book account under the ninety-third section of the judiciary act, but may show such payment under the general issue. *Pierce v. Clark*, 1 Tyler, 140.

2. In an action brought against a surviving partner, upon a promissory

note alleged to have been signed by the deceased partner in his lifetime in the name of the firm, proof of his confession that he signed it was admitted in evidence. *Adams v. Brownson*, 1 Tyler, 452.

3. Parol testimony cannot be admitted to show that a promissory note, declared on in an action against an administrator, had been exhibited to the commissioners as a claim against the estate. *Robinson v. Brownson*, 2 Tyler, 103.

4. In an action upon a promissory note, the defendant, under the plea of *non assumpsit*, may show that the consideration of the note was a quitclaim deed, executed by the plaintiff to the defendant, for certain lands, which the plaintiff induced him to purchase by fraudulently pretending that he had a title to them. *Hawley v. Beeman*, 2 Tyler, 238.

5. Where a promissory note is not negotiated by the custom of merchants, the indorsee's interest in the note must be made to appear, and the particular power of the indorser must be shown. Per Curiam, *Woodbridge v. Austin*, 2 Tyler, 365.

6. *Audita querela* will not lie to set aside a judgment, where the original action was on a promissory note, a default suffered, and judgment rendered for an amount of damages larger than principal and interest. (In this case the error was apparent on the record.) *Tuttle v. Burlington*, Brayton, 27.

7. A note was given by A of New York to B of Vermont, and afterwards indorsed to C of Vermont. A took the benefit of the bankrupt law in New York, and pleaded this in bar of an action brought by C. Held, that the plea was bad on demurrer. *Perdy v. Walker*, Brayton, 37.

8. Other testimony than that of the president and cashier is admitted, to prove a bank-note counterfeit; other testimony than that of those who have seen the president and cashier write, or are acquainted with their handwriting, except from seeing the bills in circulation, is also admissible. *State v. Lawrence*, Brayton, 78.

9. In an action upon a note of \$200 for goods sold, parol evidence, that the price of the goods sold was different from that expressed in the note, is not admissible to show a mistake in the amount of the note. *Downs v. Webster*, Brayton, 79.

10. In an action of assumpsit upon a note, the defendant may prove, under the general issue, that the note was given for a pretended patent right, which was void, not being an original invention; although a deed, with covenant, was made by the plaintiff to the defendant, conveying the patent right, and although the patent remains unrepealed. This will constitute a good defence. *Parrot v. Farnsworth*, Brayton, 174.

11. Where a note is payable in collateral articles at a time and place specified in the note, proof that the promisor had, at the time and place specified in the note for the payment thereof, the property on hand, and that he had prepared the same for the payment of the note, is not sufficient evidence of the fulfilment of the contract. *McConnell v. Hall*, Brayton, 223.

12. A sold B a note, payable in cloth, and warranted the same collectable. After the note fell due, B issued a writ of attachment, ob-

tained a judgment, and issued an execution against the maker of the note, which is returned *non est*. B sues A on the warranty. A offers to prove that B sold the note to C before it fell due; that when the suit was commenced on the note, the maker had sufficient personal property, which A offered to turn out on the attachment, but which C refused to take. *Held*, that this was proper evidence to discharge A from his warranty. *Meeker v. Denison*, Brayton, 237.

13. In an action by the indorsee of a promissory note against the payee as indorser, parol evidence is admissible on the part of the defendant to prove that he placed his name on the note in blank for the purpose of enabling A, to whom he delivered the note, to collect it for his the defendant's use, although A sell it to the plaintiff, and he fill up the indorsement to himself. *Rhodes v. Risley*, 1 D. Chip. 52; N. Ch. 84.

14. In a declaration on a contract or note for the payment of specific articles, at a particular time and place, it is not necessary to aver that the plaintiff was ready at the time and place to receive them. *Carpenter v. Coit*, 1 D. Chip. 86.

15. To an action on a promissory note, a plea in bar, that the note was given without consideration, is insufficient, as it amounts to the general issue. *Potter v. Stanley*, 1 D. Chip. 243.

16. A note payable in specific articles may be declared on as a specialty, or promissory note, under the 3d and 4th of Anne. The plaintiff is not required to state in his declaration a consideration, nor to produce evidence on trial to prove a consideration, except to rebut evidence produced on the part of the defendant to prove a want of consideration; but it is necessary for the plaintiff to make all other averments as in a declaration on a verbal contract. *Brooks v. Page*, 1 D. Chip. 340.

17. In a declaration on a note for the payment of \$ 100.27 at the defendant's dwelling-house in Middlebury, on the 1st of June, 1812, in horses, to be appraised by three men, the plaintiff averred that the defendant had not performed, though often requested, to wit, at M. on the 1st of June, 1812. The court *held*, that this did not amount to an averment, that the plaintiff was at the dwelling-house of the defendant in M. on the 1st of June, 1812, ready to receive payment. *Ibid*.

18. In an action on a promissory note given by the defendant to the plaintiff in satisfaction of an injury done to the plaintiff by the circulation of false reports injurious to the character of the plaintiff's wife, supposed to have been put in circulation by the defendant, parol evidence is admissible to prove that, at the time of giving the note, the plaintiff agreed that, if the defendant would satisfy him, the plaintiff, that he, the defendant, did not originate such reports, he would give up the note to the defendant. *Sanders v. Howe*, 1 D. Chip. 363.

19. If a note not negotiable be indorsed after it has fallen due, in an action on such note in favor of the indorsee against the indorser, parol evidence is admissible on the part of the defendant to prove an agreement made at the time of the transfer, between the indorser and indorsee, that the indorsee should pursue the maker of the note by action, and have recourse to the indorser only in the event of his being unable to collect the note of the maker. *Miner v. Robinson*, 1 D. Chip. 392.

20. A plea that the debtor had the property specified in the contract ready at the time and place, and there remained through the day, ready to deliver the same, but the creditor did not attend to receive it, and that the property is still ready for the creditor, if he will receive it, is insufficient. *Barney v. Bliss*, 1 D. Chip. 399.

21. The declarations of the owner of a package of bank-notes about to be transmitted by the steamboat on Lake Champlain, accompanying and explaining his actions, are a part of the *res gestæ*, and may be given in evidence in an action against the bank, predicated on the destruction of the bills, in the loss of the boat, inasmuch as he could not have anticipated such an event. *Ross v. Bank of Burlington*, 1 Aik. 43.

22. The plaintiff, in an action on a negotiable promissory note averred to be lost, is not a competent witness to prove the loss, with a view to the introduction of secondary proof of its contents. *Wright v. Jacobs*, 1 Aik. 304.

23. (In Equity.) The maker of notes secured by a mortgage, who is also the mortgager, is a competent witness to prove that the consideration of the notes is usurious. *Nichols v. Holgate*, 2 Aik. 198.

24. In an action on a promissory note on which one dollar payment was indorsed, and erased, *held*, that the note might be put in as evidence without any previous explanation as to the erasure. *Kimball v. Lamson*, 2 Vt. 138.

25. If the indorsee would excuse his neglect to call upon the maker by proving the note originally void, he must do so by such witnesses as would be competent in an action against the maker. *Chandler v. Mason*, 2 Vt. 193.

26. In an action on a promissory note, issue being joined as to whether A actually witnessed the note or not, it is not relevant for the defendant to show that B, a former holder of the note, had forged another note with the name of A subscribed thereto as a witness, in order to raise the presumption that he also forged this one. *Keith v. Taylor*, 3 Vt. 153.

27. Nor is it relevant to show on such an issue that B wrote the body of the note. *Ibid*.

28. Parol evidence is admissible, in the absence of writing, to prove the sale of a note. *Tichout v. Cilley*, 3 Vt. 415.

29. B executed a note to A, payable on a condition, and A, to prove its performance, assigned in court all his interest in the note to C. & H., and offered to become a witness. *Held*, that he was incompetent. *Jarvis v. Barker's Admr.*, 3 Vt. 445.

30. Notes must be sued in the name of the nominal payee, or legal assignee, and this cannot be varied by parol testimony. *Smith v. Woods*, 3 Vt. 485.

31. Parol evidence is admissible to show that the defendant received the notes as bailiff of the plaintiff. *Ibid*.

32. In assumpsit on a promissory note the defendant pleaded *non assumpsit*, and a set-off of covenant broken of seizin in a deed of conveyance of land. Plaintiff replied the statute of limitation of eight years, and that the cause of action did not accrue within ten years, relying on another section of the statute. Defendant rejoined that there

had been no recovery against the title of the grantor. Plaintiff demurred, and defendant joined in demurrer. *Held*, that the plaintiff's replications were sufficient, and defendant's rejoinder insufficient. *Pierce v. Johnson*, 4 Vt. 247.

33. Where a bond was given conditioned for the payment of certain promissory notes of the obligee, secured by mortgage, it was *held*, in an action brought by the obligee for the breach of the condition, that it was not necessary to produce the notes on the trial, and that the bond sufficiently described the notes, though it did not mention when they were payable, and described them as signed by the obligee, when in fact they were signed by him and another. *Everts v. Bostwick*, 4 Vt. 349.

34. In such case the plaintiff may recover, though non-payment of a note is set up as breach of the condition, which is not mentioned in the mortgage deed, — the mortgage itself not being referred to as part of the contract, and the bond providing for the payment of the note, and declaring it to be one of the notes secured by the mortgage. *Ibid*.

35. In an action on a promissory note against the surety, *held*, that the decision of referees that the wife of the principal debtor was not a proper witness to prove the husband paid the note, though not stating the reasons for the decision, is presumed to be correct. *Hogaboom v. Herrick*, 4 Vt. 131.

36. An agreement between the payee and one of the signers of a promissory note, that the latter should be discharged from further liability thereon, will not be enforced in equity after an assignment by order of the court of the judgment rendered on said note to A, who had paid the amount as bail of one who had signed the note as security for the other signers. But in such a case A is entitled to recover the debt from the principal debtors in the name of the payee. *Pierson v. Catlin & Pierson*, 3 Vt. 272.

37. In a suit on a note, the defendant may show that the note was given without consideration. *Rogers v. Hough*, 4 Vt. 172.

38. Evidence of payments made pending the suit is admissible for the reduction of damages. *Joy v. Hull*, 4 Vt. 455.

39. Matter which goes only in mitigation of damages need not be specially pleaded. *Ibid*.

40. When the statute of limitations is pleaded to an action on a promissory note payable "when demanded," the plaintiff cannot prove that the note had been lost for a time in order to rebut the presumption that a demand had been made. *Kingsbury v. Butler*, 4 Vt. 458.

41. In an action on a promissory note commenced before a justice of the peace and carried by appeal to the County Court, a plea in set-off in two counts, one in assumpsit on simple contract, and the other in debt on judgment, was *held*, on demurrer, to be sufficient. *Burton v. Brush*, 4 Vt. 467.

42. In an action by the assignee of a promissory note against the payee who had assigned it, warranting it to be due, it was *held*, that the admissions of a person whose name appeared in the note as one of the makers were inadmissible to show that he had signed the note as surety only. *Warner v. McGary*, 4 Vt. 507.

43. The declarations of a person not made under oath, if he can be called as a witness, are not admissible in evidence. *Ibid.*

44. Where A sold a note to B, warranting that the maker had nothing which could be pleaded in set-off thereto, and B sued the note, but could not recover by reason of a set-off pleaded and allowed, it was *held*, in an action by B against A, to recover for the fraudulent representation as to the set-off, that the prior judgment on the note was conclusive evidence of the existence of the claims allowed in set-off, A having been present at the trial on said note, assisting the plaintiff in his action. *Walker v. Ferrin*, 4 Vt. 523.

45. In an action on a promissory note, first tried in the County Court, it was *held*, that the decision of the County Court could not be carried up to the Supreme Court by exceptions to such decision, upon a motion for new trial; that the County Court must allow those exceptions in due form, reciting the facts, &c. *Bloss v. Kittridge*, 5 Vt. 28.

46. Where one of several pleas in set-off to a note is defective in substance, and there is a general verdict for the defendant by reason of damages allowed on such pleas in set-off, the judgment must be arrested. *Ibid.*

47. In such case a *venire de novo* is awarded. *Ibid.*

48. Where five sureties of an insolvent principal confess a joint judgment, and four, having been committed to prison, give bonds, are discharged, and procure the property of the fifth to satisfy the judgment, in an action by the fifth against another surety for contribution, it was *held*, that another of the four thus committed and liberated is a competent witness for the plaintiff. *Foster v. Johnson*, 5 Vt. 60.

49. Parol evidence is inadmissible to contradict, vary, or explain a written contract. *Bradley v. Anderson*, 5 Vt. 152.

50. A, the payee of a promissory note, sued B, the maker, and it was *held*, that B could not give parol evidence of facts, amounting only to an innocent mistake of A in writing the note, to prevent A's recovery; nor shall B give parol evidence of such facts, under a false pretence that they show fraud in A in writing the note. *Ibid.*

51. The mere name of a person upon blank paper is no evidence of a contract, and has no legal import, unless there is evidence of a delivery of the signature, and the general purpose of that delivery. *Barrows v. Lane et al.*, 5 Vt. 161.

52. If A execute his promissory note to B, and C indorse his name thereon in blank, parol evidence is admissible to show that the understanding was that C should be held only collaterally. *Ibid.*

53. In an action on a promissory note made payable to A or bearer, and before his decease transferred by A to the plaintiff, it was *held*, that the defendant cannot plead matters in set-off against the plaintiff that stand against the estate of the deceased, by averring that this suit is brought for the benefit of said estate; and that he cannot plead in set-off demands purchased against the estate of the deceased since his death. *Leavenworth v. Lapham & Co.*, 5 Vt. 204.

54. In such an action, *quære*, would not a plea in bar, that the action was brought for the benefit of the estate, and that defendant had just



demands against the estate which he had a right to plead in set-off, bar the action at law? *Ibid.*

55. An action on a note given for more than twenty dollars, but upon which there was an indorsement reducing the sum due to less than that amount, is appealable. *Tyler v. Lathrop*, 5 Vt. 170.

56. An *audita querela* is the proper remedy in such a case, if the justice of the peace refuse to allow an appeal. *Ibid.*

57. In an action on a note payable to G. & S. or order, partners, evidence of an indorsement of the partnership name by one of the firm, without an averment of partnership in the declaration, does not support the averment that "G. & S. indorsed said note, their own proper handwriting being to such indorsement subscribed." *Fullerton v. Seymour et al.*, 5 Vt. 249.

58. A promissory note described in the condition of a mortgage need not be produced on the trial of an action of ejectment brought on such mortgage, if the equity of redemption had been released by the mortgager to the mortgagee in satisfaction of the note. *Marshall v. Wood et al.*, 5 Vt. 250.

59. Where there is a representation of insolvency, or pleas in set-off against the estate of the payee, all the rights must be decided as they existed at the decease of the payee. *Griswold v. Barnum*, 5 Vt. 269.

60. To an action on a promissory note it was answered, that, by the agreement of the parties thereto, an account for goods sold and delivered, both before and after it was made, was to be applied in payment of the note, and defendant gave evidence to prove the same. He then gave in evidence his book of accounts to support the declaration of goods sold and delivered, with common law evidence as to the correctness of the entries. *Held*, that the book and accompanying evidence were admissible. *Admr. of Burnham v. Adams*, 5 Vt. 313.

61. In an action of assumpsit on a promissory note, it is no objection to evidence offered, that it does not prove a good cause of action if it proves the promise declared on. *Wheelock v. Wheelock*, 5 Vt. 433.

62. The sayings of the plaintiff who sues as administrator, tending to show that the note is not due, are not admissible as evidence, unless he refers to something he knows, or which would be binding upon him as administrator. *Ibid.*

63. A note payable to A, as guardian of B, must be sued in the name of A, and not in the name of B's administrator. If sued in the name of the latter, judgment will be arrested after verdict. *Ibid.*

64. If defendant's motion in arrest of judgment is overruled by the County Court, and that judgment is reversed by the Supreme Court, defendant is entitled to his costs before the Supreme Court only. *Ibid.*

65. An action by two trustees of a corporation, on a note executed to them as trustees, is well brought. *Binney et al. v. Plumley*, 5 Vt. 500.

66. Where the declaration avers that the defendant, "by his note under his hand of that date, for value received, promised to pay," &c., it implies both the making and the delivery of the note. *Ibid.*

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67. It is not necessary to raise a promise from the defendant's liability to pay the note, but the plaintiff may declare that defendant in and by his note promised, &c. *Ibid.*

68. Parol evidence is not admissible to show that a note apparently absolute was to be payable only on a condition. *Farnham v. Ingham*, 5 Vt. 514; *Hatch v. Hyde*, 14 Vt. 25; *Isaacs v. Elkins*, 11 Vt. 679.

69. If there is a clear subsequent independent agreement for the discharge of a note, or varying its terms, it may be received in evidence. *Ibid.*

70. Evidence of a collateral agreement for the payment of a note in a particular way is admissible. *Ibid.*

71. Consideration need not be proved in an action on a note, unless the note is impeached; it is presumed to be good until otherwise shown. *Middlebury et al. v. Case*, 6 Vt. 165.

72. An action on a note made payable to the selectmen of a town must be brought in the name of the town. *Ibid.*

73. Several persons associated together for the purpose of killing wolves, and lent the bounty money to B, taking his note payable to the selectmen of several towns; *Held*, that an action might be brought on the note in the name of the towns. *Ibid.*

74. In an action on a promissory note payable to A or bearer, and brought by the holder, defendant cannot prove payment of the note to the original payee, without showing fraud or force in the holder, or throwing suspicion on his title to the same. *Potter v. Bartlett*, 6 Vt. 248.

75. Where one of the firm of a partnership, limited to a certain business, executes a note in the name of the firm for purchases not connected with the original business of the firm, the person bringing action on such note must prove the consent of the other partners to the purchase or the enlargement of the business. *Waller v. Keyes*, 6 Vt. 257.

76. Assent to such purchase may be proved by the subsequent conduct of the partners. *Ibid.*

77. A promissory note is admissible as evidence under money counts, even though it has been cancelled or destroyed without payment. *Edgell v. Stanferd*, 6 Vt. 551.

78. A note not tainted with usury was cancelled on being made the consideration of a usurious contract, which contract was afterward avoided as usurious; *Held*, that the cancelled note, or its consideration, could be recovered, and evidence of the note or consideration could be given under the money counts of the declaration. *Ibid.*

79. A gave B a note, B agreeing to receive payment of the same when due in bank-bills, and afterward B refused the bills and indorsed the note to C, who sued the same and recovered the amount, with costs. A then sued B, and it was *held*, that a plea in bar that this matter was adjudicated in a plea in bar to an action on the note, is insufficient, unless the facts alleged in the former plea were not sustained. *Noyes v. Evans*, 6 Vt. 628.

80. A note given for more than \$ 100, but reduced by indorsement under that sum, by No. 9 of the judiciary act is within the County Court jurisdiction. *Bank of Middlebury v. Tucker et al.*, 7 Vt. 144.

81. An unqualified admission by the maker that certain notes were due, is evidence of a new promise, and takes them out of the statute of limitations. *Barlow v. Bellamy*, 7 Vt. 54.

82. In an action on a promissory note, the officer at sundry times attached property on a writ, leaving a single copy, including a list of all the property attached before the time of service expired; *Held*, on a plea in abatement, that such service is good. *U. S. Bank v. Taylor et al.*, 7 Vt. 116.

83. Where a declaration, filed before a justice of the peace, states a note to be payable "to A or bearer," and afterwards, on appeal to the County Court, the plaintiff omits "or bearer" in his declaration, the suit will not be dismissed for variance. *Bucklin v. Ward*, 7 Vt. 195.

84. It is a sufficient allegation of the assignment of a note, that "the said note was afterwards, by the said A. B., on the day and year last aforesaid, indorsed and delivered to the plaintiff." *Brooks v. Edson*, 7 Vt. 351.

85. Where the cosigner of a note as surety for the other signer was appointed an agent to collect the same, and did so, and afterwards died insolvent, and an action was brought by the payee against the signer on the same note; *Held*, that the widow of the deceased was a competent witness in support of this defence. *Williams v. Baldwin*, 7 Vt. 503.

86. During his life, the husband and wife might have been called as witnesses for the same purpose. *Ibid.*

87. In an action on book account the defendant may prove by his own oath, that, according to agreement, he delivered to the plaintiff a note executed by the plaintiff and another in payment of the account. *Fassett v. Vincent*, 8 Vt. 73.

88. If a debtor, by fraudulent representations, induces his creditor to give up to him his promissory notes, receiving only part payment of the same, upon proof of the fraud, the creditor may recover the balance due in an action on the note. *Reynolds et al. v. French et al.*, 8 Vt. 85.

89. Parol evidence is never admissible to contradict, add to, or vary a written contract, unless there is fraud or a latent ambiguity. *Bradley v. Bentley*, 8 Vt. 243.

90. Where the maker of a negotiable note becomes the indorsee of other notes against the payee, and by giving notice has acquired the right to plead the latter in set-off to the former, he retains that right when sued by the indorsee of his own note. *Snow v. Conant*, 8 Vt. 301.

91. In an action on a note executed by A and B, a return of *non est inventus* was made as to B, and the action was prosecuted as to A only; *Held*, that A could plead in set-off a demand due himself alone. *Ibid.*

92. A motion for judgment, notwithstanding a verdict for the other party, is founded on the record alone, and can never depend on the state of evidence which is not disclosed by the record. *Ibid.*

93. An indorsement of part payment on a note, if used to rebut a presumption of payment, must have been made at the date of the indorsement, or have had reference only to the time at which the payment was in fact made. *Hayes v. Morse*, 8 Vt. 316.

94. It is not necessary first to call a subscribing witness to a note,

signed by several signers, to prove that he merely witnessed the first signature. *Harding v. Cragie*, 8 Vt. 501.

95. Where one count is bad and a verdict is general, judgment will be arrested. *Ibid.*

96. Where a declaration in assumpsit alleges no legal consideration for the promise, it is bad, and a past and executed consideration, which is not alleged to have been at the defendant's request, and in no way appears to have been for his advantage, is no legal consideration. And this defect is not cured by a verdict. *Ibid.*

97. In an action before a justice of the peace on a promissory note exceeding twenty dollars, but indorsed until below ten, the *ad damnum* being ten dollars, and there being no plea in set-off, the case is not appealable. *Boardman v. Harrington*, 9 Vt. 151.

98. In an action on a promissory note, before a justice of the peace, originally executed for twenty dollars, but indorsed below ten, to which were added ten dollars damages, if defendant first pleaded in set-off in the County Court (or if the plea was not *bonâ fide* in the court below) such plea does not give appellate jurisdiction to the County Court. *Ibid.*

99. In an action on a note given in payment of a purchase of certain articles of personal property, in which note said articles were described and the price receipted, but containing no warranty; *Held*, that the purchaser could not give parol evidence to prove a warranty. *Reed v. Wood*, 9 Vt. 285.

100. If a promissory note is materially altered by the consent of one signer, but not of the other, it is the note of the first, and if declared upon as the joint note of both, the plaintiff may recover against the one, and the other recover his costs. *Broughton v. Fuller*, 9 Vt. 373.

101. If the declaration allege that the note was executed on a certain day, different from the date of the note, the variance is not fatal. But if it allege that the date was different from what it was, the variance is fatal, for the date is part of the description of the note. *Ibid.*

102. Where the consideration moves from a person principally interested in a contract, and the contract is made with such person, one collaterally interested cannot sue in his own name. *Crampton v. Ballard*, 10 Vt. 251.

103. In an action on a promissory note signed by A, one of two partners, in the name of the firm, but given for a purpose not connected with the partnership business, and without the knowledge of the other partner, evidence that A had authority to bind his copartner, or that the latter subsequently recognized the note, should be given to the jury without any instructions of the court as to its sufficiency. *Jones v. Booth*, 10 Vt. 268.

104. In an action on a promissory note brought by the administrator of the intestate, the heir is not a competent witness, though he releases his interest in the note, unless he is also discharged from all claim for costs. *Baxter v. Buck*, 10 Vt. 548.

105. An administrator as representative may maintain an action on a note made payable to the intestate, or bearer, by declaring upon it as on a note payable to the bearer, although the note was not delivered until after the death of the intestate. *Ibid.*

106. *Quære*, could he declare on such a note payable to the intestate ? *Ibid.*

107. A note fell due on the 1st of September, and the defendant pleaded a matter which would have availed against a *bonâ fide* indorsee, if the note had been negotiated when overdue ; *Held*, that the allegation that the defence relied on arose on the 29th of August, and that the payee was then the owner of the note, and continued to be for some twenty days afterwards, is not equivalent to the allegation that the note was negotiated when overdue. *Britton v. Bishop et al.*, 11 Vt. 70.

108. The plea should make such allegation in direct terms, or at least by way of inference. *Ibid.*

109. Part payment may be pleaded specially, though that is not the best way to plead it. *Ibid.*

110. In an action on a note signed by A & B, partners, it is good evidence tending to show a dissolution of the partnership, that A & B continued doing business till July, 1835, and then discontinued and formed a new partnership, under the firm of A, B, & Co. *Southwick v. Allen*, 11 Vt. 75.

111. Evidence that the old firm was dissolved and a new one was formed, and that this was notorious in the community where they did business, and also published in a newspaper, is not competent evidence against the plaintiffs, who did not reside in the vicinity. *Ibid.*

112. Where the payee signed a paper to the maker of a note, stating the consideration of the note, but containing no contract, it is not conclusive evidence against the maker, and he may show by parol that the consideration was different. *Sowles v. Sowles*, 11 Vt. 146.

113. A declaration described a note as dated in March, 1827, and the note given in evidence was dated in March, 1837, upon which plaintiff recovered in the County Court. *Held*, that the variance was fatal. *Bank of Manchester v. Allen*, 11 Vt. 302.

114. In an action on a note that is lost, it is not necessary to allege that fact, and evidence of its loss and contents may be given after the suit is commenced. *Viles v. Moulton*, 11 Vt. 470.

115. Diligent search must have been made before evidence can be given of the loss. *Ibid.*

116. Where the plaintiff complains that the defendant induced him to give up certain notes, on part payment, by fraudulently representing that all his property was turned out to pay his debts, the defendant may show that there were other considerations for giving up the notes, but he cannot show that he owed other debts, to the amount of his property, on which debts no property had been turned out. *Reynolds v. French*, 11 Vt. 674.

117. A bought a horse of B, and gave his note therefor, payable in ten days, and it was agreed at the same time, that, if A did not like the horse, he might return him within the ten days, and receive back the note. A returned the horse within the time, but B refused to receive him. In an action on the note, *held*, that parol evidence of such collateral matters was not competent to establish a defence. *Isaacs v. Elkins*, 11 Vt. 679.

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118. Under the act of 1835, it is no variance not to show that all the defendants were parties to a contract. *Nash v. Skinner*, 12 Vt. 219.

119. Nonjoinder of a joint promisor is only matter of abatement, and on trial cannot avail as matter of variance. *Ibid.*

120. In an action on a joint and several note, plaintiff declared upon it against four persons, as if it was executed by them all, one of whom was not served with the writ, and pending the suit plaintiff amended his declaration, adding new counts against the three only who were served with process; *Held*, that there was a misjoinder, and that the declaration was insufficient. *President, &c. Claremont Bank v. Wood*, 12 Vt. 252.

121. Where two persons are declared against as joint promisors, and service is made upon one only, the other not being a party in court, and evidence is given showing that the person on whom the process was served alone made the promise declared on; *Held*, that, under the statute of 1835, judgment may be recovered against the person so making the promise. *Hodges v. Eastman*, 12 Vt. 358.

122. In an action by the assignee, for value, of a note not negotiable, against the debtor, upon his promise to pay the same to the assignee, evidence that such promise was made may be admitted, as tending to show the execution of the note, without calling the subscribing witness. *Ibid.*

123. Evidence of what a deceased witness said in a former trial of the same cause between the parties is admissible, though such witness was not sworn, if the party before permitted his evidence without having him sworn. *Wheeler v. Walker*, 12 Vt. 427.

124. The admission of a former holder of a note that it was paid, is competent evidence when it was not indorsed until after it became due and was paid. *Ibid.*

125. Where evidence tending to sustain a declaration is permitted to go to the jury without objection, exceptions cannot be taken that the court permitted the verdict on insufficient testimony. *Stearns et al. v. Howe et al.*, 12 Vt. 577.

126. If a promise in the form of a promissory note is made payable in specific articles, it may be declared on as a promissory note. *Dewey v. Washburn*, 12 Vt. 580.

127. In an action against a defendant for money paid on a note signed by him and another, such other signer is a competent witness for the plaintiff, to show that he and the defendant were the principals in the note. *Admr. of Hopkinson v. Steel*, 12 Vt. 582.

128. Leading questions on an examination in chief are generally inadmissible, but this rests on the discretion of the court, and is not good ground for revision, in error. *Ibid.*

129. In an action before a justice, where plaintiff claims to reduce the amount due on a promissory note by payments not indorsed upon it, he must set forth such payments in his declaration. *Perkins v. Rich*, 12 Vt. 595.

130. If payment is alleged without stating the time or place, it will be presumed to have been made at the date of the note. *Ibid.*

131. Though the real party of the suit is not a party to the record, he cannot be compelled to testify. *Flint v. Allyn et al.*, 12 Vt. 615.

132. *Quare*, whether the exclusion of such party does not rest entirely upon his interest. *Ibid.*

133. Where a promissory note was made by parties resident in New York, and there negotiated while current, but paid before maturity by the maker, and was afterwards sued here in the name of a *bona fide* holder, for value, the maker cannot plead such payment in defence, although, by the law of Vermont in force when that payment was made, it would have afforded a good defence to the action. *Harrison v. Edwards*, 12 Vt. 648.

134. Parol evidence is admissible to show that, by certain marks or characters appended to the name of an indorsee of a bill, the word *cashier* was intended. *Farmers and Mechanics' Bank v. Day*, 13 Vt. 36.

135. In a declaration by the indorsee against the indorser, alleging a demand of payment and notice of non-payment to such indorsers, the plaintiff may give evidence that such demand and notice was waived by the indorser. *Ibid.*

136. A promise to pay a bill, before it is payable, is equivalent to proof of demand and notice. *Ibid.*, per Williams, Ch. J.

137. In an action of assumpsit upon a promissory note, *held*, that *ex parte* affidavits of witnesses are not admissible to prove the loss or contents of a written instrument declared upon. *Viles v. Moulton*, 13 Vt. 510.

138. Whether a defendant, offering to prove a sufficient defence, can be estopped by producing a decree in chancery, where facts are found inconsistent with the defence; and also whether the finding of facts, either by a verdict or a decree in chancery, is any thing more than *prima facie* evidence of those facts; *quare*. *Ibid.*

139. Where three persons, as principals, gave their joint and several note, one is not a competent witness for another of the makers when sued severally on the note, being interested by being bound to contribute to the costs as well as to the debt. *Pinney v. Bugbee*, 13 Vt. 623.

140. A plea in bar, which sets up a parol agreement, made at the same time when a note, absolute upon its face, was given, that it should only be payable upon a contingency, is insufficient to bar an action on the note. *Hatch v. Hyde*, 14 Vt. 25.

141. A plea in bar, which denies the original cause of action, as a want of consideration, amounts to the general issue, and is ill on special demurrer. *Ibid.*

142. A declaration, declaring upon a note payable in "fulled cloth," is supported by a note payable in "woollen fulled cloth." *Wead v. Marsh*, 14 Vt. 80.

143. Where a note is made payable in good, well-finished ploughs, parol evidence that there was an agreement when the note was given, that, if there should be improvements in the pattern, the holder of the note should be entitled to have the improved kind, is not admissible to control the contract. *Gilman v. Moore*, 14 Vt. 457.

144. Certain notes of hand having been delivered by A to B, as an indemnity, and the same having come into the possession of C, and been collected by him; *Held*, in an action in favor of B against C, to recover the amount thus collected, that A was not a competent witness to prove that the notes had been obtained by him, with the consent of the attorney holding them for collection, and had been sold by him to the defendant for a valuable consideration. *Stimson v. Cummings*, 15 Vt. 477.

145. The County Court have original jurisdiction of a suit upon a promissory note exceeding forty dollars, and less than one hundred dollars, where the suit is by trustee process. *Hobart v. Wardner*, 15 Vt. 564.

146. Where the principal of a note, together with the interest, exceeds twenty dollars, the right of appeal from a judgment of a justice thereon is not taken away by statute. *Smith v. Smith*, 15 Vt. 620.

147. In a case where a note was to become obligatory upon there being a failure of title in a third person to certain premises, it was held unnecessary, in an action on the note, to show such failure by an adjudication of a court of competent jurisdiction, in an action to try the title; but that the town clerk of the town where the title-deeds are to be recorded might be called as a witness to prove that no title of record appeared in a person who professed to convey the title, except under a vendue deed, and that this was competent evidence tending to prove a want of title, in the person so conveying the land. *Reed v. Field*, 15 Vt. 673.

148. In an action of assumpsit upon a note, *held*, that a receipt or writing is the best evidence of a contract, and is not to be controlled by any oral testimony relating to the contract, unless the contract evidenced by the writing or receipt is rescinded. *McGregor v. Bugbee*, 15 Vt. 734.

149. Evidence of the admissions and declarations of a defendant, who has pleaded and proved his discharge in bankruptcy, made while he was in fact insolvent, but before he obtained his discharge, are admissible, notwithstanding he may be the principal on the note, and the other defendant but a mere surety. *Brown v. Munger*, 16 Vt. 12.

150. Where the statements or admissions of a party, or his counsel, are relied upon as evidence, they are to be taken subject to all the restrictions and qualifications that appertain to them. *Ibid.*

151. An indorsement of payment is of *itself* no evidence tending to prove that the person purporting to have been the maker of the note had recognized its *validity*. *Ibid.*

152. Where, in a declaration on a promissory note payable in one year after the decease of A, the decease of A was alleged under a *videlicet*, the declaration was held sufficient on general demurrer. *Ladue v. Ladue*, 16 Vt. 189.

153. Where the statute of limitations begins to run from the time of making a promise, a plea that the defendant did not assume and promise within six years is well enough; but if the right of action accrue *after* making the promise, the plea should be that the cause of action did not accrue within six years. *Cook v. Kibbee*, 16 Vt. 434.

154. But if, in the latter case, the defendant plead *non assumpsit*



within six years, a replication that, when the plaintiff's right of action accrued, and always until within six years before commencing the suit, the defendant was without the State, and did not have known property or estate therein, which could be attached by the common and ordinary process of law, is sufficient. *Ibid.*

155. The payee of a promissory note, being administratrix on the estate of her husband, was held to pay the distributive shares in said estate to the heirs; and the maker of the note, some time before the giving of the same, had agreed to pay said distributive shares to the heirs. Some days after the execution of the note, the payee gave to the maker a writing, by which she agreed that, when he should pay said shares, the note should be given up. *Held*, in an action on the note, that the first agreement, and the writing subsequently executed by the payee, were proper to be given in evidence under the general issue; and that, in connection with proof of payment of the shares, they constituted a defence to the note. *Gilson v. Gilson*, 16 Vt. 464.

156. *Held*, also, that the receipts of the heirs, acknowledging payment in full for their said shares, were evidence of such payment as against the payee of the note. *Ibid.*

157. To an action brought by the indorsee of a promissory note, the defendant pleaded, in abatement, the pendency of a prior action against him upon the same note, brought by the payee of the note, in his own name, while he was owner of the note, and before any indorsement of it had been made; *Held*, that the plea was insufficient. *Thomas v. Freelon*, 17 Vt. 138.

158. The declarations of the payee of a note, as to payments made to him by the maker, and a receipt signed by him acknowledging such payments, made at a time when he was not holder of the note, are not competent evidence for the maker of the note, in an action brought against him by an indorsee, where the payee is alive and can be produced as a witness. *Washburn v. Ramsdell*, 17 Vt. 299.

159. *It seems* that, in the absence of all proof as to the time when a note was indorsed, the court will presume that it was indorsed while current. *Ibid.*

160. An officer who takes from the receiptor of property attached a note, in satisfaction of the receiptor's liability for having permitted the property to be wasted, in the absence of all authority from the creditor so to do, becomes himself the absolute owner of such note. *Boardman v. Roger*, 17 Vt. 589.

161. And if such note be sued in the name of a mere trustee, for the benefit of the officer, the officer, by an absolute and unconditional conveyance of his interest in the note to such trustee, taking back from the trustee a release from all liability on account of the suit, although such conveyance and release are wholly without consideration, is so divested of interest in the suit as to become a competent witness for the plaintiff. *Ibid.*

162. An averment, in a declaration on a guarantee that a note against a third person is or shall be good and collectable, as follows, that, "when said note became due and payable, said note was not good and collecta-

ble, and the plaintiff was not able to collect said note," and that the plaintiff "hath been wholly unable to collect said note," does not sufficiently import that all endeavors to collect the note would have been manifestly useless, so as to furnish a sufficient excuse for omitting such endeavors, even if an excuse can exist on that ground, — as to which, *quare*. *Sylvester v. Downer*, 18 Vt. 32.

163. A declaration upon such guarantee must aver notice to the guarantor, before the commencement of the suit, that proper efforts have been made to collect the demand from the debtor, and that they have proved unavailing; and if such averment is omitted, and a verdict is taken for the plaintiff, judgment will, on motion, be arrested. *Ibid*.

164. The mark commonly used to denote dollars (\$) is not part of the English language within the statute of Vermont, which requires declarations and pleadings to be drawn in the English language; and a declaration in assumpsit upon a promissory note, in which the amount for which the note was given was only expressed in figures, with the mark for dollars prefixed, thus, \$226.17, was held insufficient on demurrer. *Clark v. Stoughton*, 18 Vt. 50.

165. In an action brought by a surety against his co-surety for contribution, parol evidence of the payment made by the plaintiff is admissible and sufficient, notwithstanding it may appear that judgment has been recovered, upon the demand against the principal and sureties, and that the payment was made upon an execution which is not produced. *Hammond v. Rice*, 18 Vt. 353.

166. And it is not necessary in such case that the plaintiff should prove that he caused the amount of his payment to be indorsed upon the execution. *Ibid*.

167. *Audita querela* will not lie, in Vermont, to set aside an execution issued on a judgment rendered in the County Court, when the only grounds of complaint are, that the judgment was rendered by default, in an action on a note, and that the plaintiff had neglected to indorse upon the note certain payments which the complainants had made, but took judgment for the face of the note, without deducting any payments, and that the clerk, in making up the judgment, had made an error in the computation of interest, whereby execution had issued upon a larger sum than actually appeared due on the note. *Perry v. Ward*, 18 Vt. 120.

168. The admissions of a plaintiff of record, in an action on a note, who is a mere trustee for a third person, are not competent evidence for the defendant. But after the defendant has shown a state of circumstances which entitles him to defend against the note, the defence must prevail, unless the *cestui que trust* can show that the defendant has, by his conduct, precluded himself from such defence. *Sargeant v. Sargeant*, 18 Vt. 371.

169. It is well settled that the party of record may, if he consent, be sworn as a witness, and give evidence in the cause for the opposite party, either when he has no interest in the event of the trial, or when he is called to give evidence for the party whose interest is contrary to his own. But whether the nominal plaintiff of record can thus give

evidence for the defendants against the wish of the party for whose benefit the suit is brought, *quære*. *Ibid*.

170. In an action by the indorsee against the maker of a negotiable promissory note, if the defendant plead a discharge in bankruptcy, a replication of a new promise to the payee, prior to the indorsement, will be a departure from the declaration. *Walbridge v. Harroon*, 18 Vt. 448.

171. Where a bill was drawn payable on demand, and the plaintiff alleged an acceptance according to its tenor, and it appeared from the evidence that the acceptor, upon being applied to for acceptance and payment, replied that the drawer had told him all about it, that it was all right, and that he would pay it in a few days, it was held no variance. *Fisher v. Beckwith*, 19 Vt. 31.

172. Where a note, signed by three as joint principals, has been renewed from time to time, and paid in part, and then renewed for the balance by the note of two of the signers, the fact that the note first given and the renewed notes were left in the possession of one of the two, furnishes no presumptive evidence that the amount paid upon the notes was paid by him. *Mills v. Hyde*, 19 Vt. 59.

173. After a number of years have been suffered to elapse without claim, the presumption would rather be, that the matter was adjusted between the parties at the time. *Ibid*.

174. The declaration in favor of a subsequent indorsee of a promissory note against the first indorser will be sufficient on demurrer, although it do not allege that, by the terms of the defendant's indorsement, the note was ordered to be paid to his immediate indorsee or his order. *Hodges v. Adams*, 19 Vt. 74.

175. It seems, a writing in these words, "For value received of A & B, or order, thirty dollars and eighty-three cents on demand and interest annually," signed by the defendant, is competent and sufficient evidence under a count declaring upon it as a promissory note in common form. *Cummings and Manning v. Gassett*, 19 Vt. 308.

176. A memorandum on the margin of such note, specifying certain items of property at certain sums, the sum total of which, added together, was equal to the sum on the face of the note, cannot be treated as part of the note, for the purpose of showing that the consideration was other than money. *Ibid*.

177. (In Equity.) A party to a contract or note, who has assigned all his interest, is only required to be joined in any proceeding in equity in regard to the contract, for the purpose of having the decree conclude his rights, and thus conclude all future litigation. So that in all such cases, when the court of chancery can see, in the particular case, that there exists no necessity for the joinder of such party on that account, it will not be required,—especially after the case has gone to a hearing. *Day v. Cummings*, 19 Vt. 496.

178. A nominal party to a contract or note, in regard to which a suit in equity is pending, who is so divested of all interest as not to be a necessary party to the bill, is a competent witness in the case. *Ibid*.

179. Although, in a paper offered in evidence, some words may be so

spelled, that, taken by themselves, their meaning would be uncertain, still, if by taking the whole writing together the meaning is obvious, the paper will not be rejected. *Gilson v. Gilson*, 16 Vt. 464.

180. The admissions of a wife do not bind her husband, unless made in discharge of an agency created by him. Therefore, when payment to the husband is attempted to be shown, by proof of the admissions of the wife that she had received such payment, it must first appear that he had constituted her his agent for that purpose. *Ibid.*

181. A joint signer of a promissory note, who has obtained his discharge in bankruptcy, must nevertheless be joined a defendant in a suit upon the note, or it will be a ground of abatement. *Roberts v. McLean*, 16 Vt. 608.

182. Where an action upon a promissory note is commenced before a justice of the peace, and carried by appeal to the County Court, the plaintiff may, by the rules of court, file a new declaration; and he may file it in the form of a count for money had and received, and there will be no error in receiving, under such count, any evidence which would have been competent under a count declaring specially upon the note in suit. *Fletcher v. Blair*, 20 Vt. 124.

183. Where a suit was against two defendants, and a note pleaded in set-off, when produced, appeared upon its face to be payable to a third person, or bearer, and contained a general indorsement by the payee, and was also specially indorsed by the payee to one of the defendants, and it appeared that the notice given to the plaintiff was by that defendant, that he was the owner of the note; *Held*, that the evidence did not sustain the plea in set-off. *Bragg v. Fletcher*, 20 Vt. 351.

184. Where a promissory note becomes the property of one not a party to it, and this is known to the maker, and the holder commences an action upon it in the name of the payee, the maker cannot give in evidence admissions made by the payee subsequent to the commencement of the suit. *Hough v. Barton*, 20 Vt. 455.

185. Where the holder of a promissory note transferred it for a valuable consideration, and without any express contract of warranty or guarantee, and the purchaser commenced an action upon the note, in the name of the payee, and the maker on trial conceded his original and continued indebtedness upon the note; *Held*, that the vendor was a competent witness for the plaintiff. *Ibid.*

186. The plaintiff brought his action against A & B & Co. upon a promissory note, describing it as being the note of that firm, but alleging in his declaration that the note was by mistake signed A & C, though it ought to have been signed by the style of partnership of A & B & Co., since the note was given for the benefit of the latter firm, and for property which went to their use. The note, being produced in evidence, purported to be signed "A & C." *Held*, that there was no variance between the declaration and the evidence. *Miner v. Downer*, 20 Vt. 461.

187. *Held*, also, that such declaration was not defective, on motion in arrest of judgment. *Ibid.*

188. Where, in an action against several defendants, upon a promis-

sory note, the only plea is the general issue, and the plaintiff offers in evidence under that plea the discharge in bankruptcy of one of the defendants, it is not competent for another of the defendants to object to the evidence. The rule requiring such matters to be specially pleaded, is only intended to prevent surprise upon the plaintiff. *Ibid.*

189. If one of several defendants be called as a witness in the case by the plaintiff, and be willing to testify, he is a competent witness, although his co-defendants may object to his being called. *Ibid.*

190. In an action in favor of the payee of a promissory note against one who signed as surety for the principal, the principal, having received from the defendant a release of all liability for the costs and expenses of the suit, is a competent witness for the defendant; for he will be liable to the plaintiff for the damages, if the defendant recover, to the same extent that he would be liable to the defendant, if the plaintiff should recover; and therefore, his liability for costs and expenses being released, his interest is equally balanced. *Austin v. Dorwin*, 21 Vt. 38.

191. And it makes no difference that the testimony of the principal tends to reduce the amount of the plaintiff's recovery against the surety. The judgment in favor of the plaintiff transfers the principal's liability to the surety only to the extent of the judgment, leaving the principal still liable to the plaintiff for the balance of the debt, if justly due. *Ibid.*

192. Parol evidence is admissible to explain indorsements of payments upon promissory notes, and to show that they were wrongly placed upon them, and, whether consisting of interest or principal, they constitute no part of the note, but are the same as receipts executed by the holder to the maker of the note for sums received. *McDaniels v. Lapham*, 21 Vt. 222.

193. Where the plaintiff, in his declaration upon a note payable to a third person or bearer, omitted to state the character in which he held it, or brought the suit; *Held*, that the County Court might permit him to amend, by inserting in his declaration an averment that he was bearer of the note, and sued in that capacity. *Bowman v. Stowell*, 21 Vt. 309.

194. If the holder of a promissory note, upon which there is due more than one hundred dollars, indorse upon it, as a payment, a sum which will reduce the amount apparently due upon the note to a sum less than one hundred dollars, and do this without any payment being in fact made by the defendant, and for the mere purpose of bringing the note within the jurisdiction of a justice of the peace, and then commence an action upon the note before a justice, the action will not, on appeal, be dismissed by the County Court for want of jurisdiction in the justice. *Herren v. Campbell*, 19 Vt. 23.

195. A negotiable note may be sued in any town where the indorsee resides, although it is admitted, by demurrer to the plea in abatement, that the note was given for goods sold in another town from that in which the maker and payee both resided when the contract was made; it appearing from the plea that their residence is still the same. *Ellis v. Kelly*, Brayton, 202.

196. The statute of 1801 takes from the jurisdiction of the County

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Court every action or suit made cognizable before a justice of the peace. *Held*, that if an action be brought before the County Court on several notes, each of which notes separately is within the jurisdiction of a justice of the peace, yet if the aggregate amount of all the notes exceed his jurisdiction, such action is not made cognizable before a justice of the peace, and therefore the County Court have jurisdiction of it. *Keyes v. Weed*, 1 D. Chip. 379.

See *Banks and Banking*; *Validity*, 16; *Notes payable in Specific Articles*, 8, 9; *Negotiability and Transfer*, 10, 12, 21, 26; *Rights and Liabilities in General*, 5; *Indorsers, Guarantors, and Sureties*, 1, 34, 49, 56; *Actions, when and by whom maintainable*, 47; *When Subject to Equities, &c.*, 3; *Limitations*; *Payment*, 1, 8; *Damages*, 12; *Usury, Evidence of*.

## 16. Damages.

1. Three joint owners of real and personal estate sold the same to the defendants, who executed notes to each of the vendors for the same. In an action upon his note by one of the vendors against the defendants, it was *held*, that defendants could not prove fraudulent representations of the vendors in order to reduce the damages, the purchase having never been rescinded. *Walker v. Smith*, 2 Vt. 539.

2. C executed certain promissory notes to A and B, who had become his sureties. A and B afterwards brought suits on the notes and attached C's property, and then D, a creditor of C, had the attachments discharged by agreeing not to sue C within one year. D, however, commenced an action against C within the year, whereupon A and B brought an action against D for violating said agreement, and it was *held*, that C was a competent witness for plaintiffs, and that plaintiffs should recover the damages they had sustained. *Boardman & Foot v. Wood*, 3 Vt. 570.

3. Where a promissory note is made in Canada, and indorsed in this State, in both of which places the rate of interest is six per cent., and payable at a day certain in the State of New York, where the rate of interest is seven per cent., and not paid when due, both the makers and the indorsers are liable to pay seven per cent. interest as damages for such delay. *Peck et al. v. Mayo et al.*, 14 Vt. 33.

4. Where the defendant executed to the plaintiff a written assignment in these words: "I hereby assign to A a note in my favor against B and C, dated Nov. 13, 1838, for one hundred and fifty dollars, payable in one year from date, with use for value received," — and where it appeared that the note assigned to the plaintiff was invalid as to one of the signers, by reason of his insanity at the time that he signed the note, and that an action upon the note had been successfully defended by him upon that ground, and that the other signer had removed from the State; *Held*, that the plaintiff, in an action upon the warranty contained in the written assignment, was entitled to recover the difference between the actual value of the note and the amount appearing due upon it. *Thrall v. Newell*, 19 Vt. 202.

See *Interest*, 4, 11, 13; *Pleadings and Evidence*, 37, 38.

## III. — INTEREST.

1. In contracts for interest, generally interest upon interest will not be allowed. *Wheelock v. Moulton*, 13 Vt. 430.

2. Interest is not allowed on an account against a minor. *Taft v. Pike*, 14 Vt. 405.

3. The parties to a promissory note may stipulate for interest to be paid before the principal sum falls due; and in such case a suit will lie for the recovery of the interest when it becomes due. *Catlin v. Lyman*, 16 Vt. 44.

4. Interest upon that interest is allowed by way of damages for delay of the payment, but the parties cannot stipulate for interest upon interest before it becomes due. *Ibid.*

5. In legal contemplation, a contract for "annual interest" is the same as if written for "interest annually." *Ibid.*

6. On complaint for the non-entry of a writ of error, the interest must be computed from the date of the execution on the original judgment. *Bellamy v. Corban*, 1 Tyler, 372.

7. Where, in an action for goods sold, &c., there appeared no stipulations as to the time of payment, or as to interest, interest was allowed from the time of service of the writ, no previous demand having been shown. *Houghton v. Hagar*, Brayton, 133.

8. Interest is allowed in the case of a breach of a covenant of warranty from the time of the rendition of the judgment. *Drury v. Skumway*, 1 D. Chip. 110.

9. Interest can be recovered for the balance of an unsettled account, if computed from one year after work and labor done. *Bates v. Starr*, 2 Vt. 536.

10. A debtor remaining upon the jail liberties, on a commitment on execution, is not liable for the interest accruing on the debt, if he pay the amount due on the execution at the time of commitment, before departing the liberties. *Allen v. Adams*, 15 Vt. 16.

11. Judgment was rendered in the County Court against a sheriff, for neglect in not paying money collected on an execution, for the amount of the execution and fifteen per cent. interest from the time the demand was made. This judgment was affirmed by the Supreme Court, and the clerk, in making up the damages, was directed to allow to the plaintiff fifteen per cent. interest, from the time of the judgment in the County Court, upon so much of the damages there recovered as consisted of money detained by the sheriff, and six per cent. upon the residue. Redfield, J. dissenting. *Barron v. Pettes*, 18 Vt. 385.

12. Where there has been no loss of *principal*, there can be no recovery of *interest*. *Roberts v. Warner*, 17 Vt. 46.

13. Where the County Court determine that a writ of *audita querela* was brought for delay, they have power, under the statute, to award to the defendant twelve per cent. interest on his judgment, as damages, and double costs. *Perry v. Ward*, 18 Vt. 120.

14. Where the defendant had received from the plaintiff an absolute

deed of certain land, and a bill of sale of a certain quantity of hay, with the understanding that he was to dispose of them to the best advantage, and apply the proceeds in discharge of a certain liability which he had assumed for the plaintiff, and, instead of so doing, he took possession of the land and hay, and used them absolutely as his own, and compelled the plaintiff to discharge, out of other property, the liability which he had assumed, it was *held*, that he was chargeable for the full value of the land and hay, as on a sale to himself, and also with interest on their value, to be computed from the time the liability was discharged, which he had assumed for the plaintiff. *Crane v. Thayer*, 18 Vt. 162.

15. The interest of the public moneys of the United States, appropriated by the act of 1836 to the common schools, is not to be considered part of the proceeds of the school fund, within the purview of the proviso of the ninth section of the act of 1827, entitled, "An Act to provide for the support of common schools." *State v. Town of Jericho*, 12 Vt. 127.

See *Damages*, 3.

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#### IV. — USURY.

1. In General.
2. Evidence.
3. Remedy.

##### 1. In General.

1. Usury avoids a contract as well in equity as at law. *McDaniels v. Barnum*, 5 Vt. 279.

2. Where a party tries in equity to enforce a usurious contract, the usury may be set up in defence. *Ibid.*

3. Equity will not relieve a party applying from a usurious contract, without his paying the sum actually due. *Ibid.*

4. Where it is the uniform custom of banks to take interest at the rate of a few cents more than six per cent., it is not considered usury so as to incur the penalties of the statute, but such excess should be deducted in rendering judgment. *Bank of St. Albans v. Scott*, 1 Vt. 426; *Ibid.* 399; *Ibid.* 430.

5. A *bonâ fide* debt is not destroyed by being mingled with a usurious transaction, or by being made the whole or a part of the consideration of a usurious contract. *Edgell v. Stanford*, 6 Vt. 551.

6. A promissory note containing usurious interest was executed while the usury act of 1797 was in force, and after the passage of the act of 1822 that note was given up, and another taken for the amount, without any new agreement as to interest. *Held*, that the last note was not wholly void, but subject to apportionment, on the principle of the former statute. *Dunbar v. Wood et al.*, 6 Vt. 653.

7. If the maker of a note tainted with usury, in consideration that the holder should cancel the same, promises to give a new note for the sum



lawfully due, such promise will be enforced in law. *McClure v. Williams*, 7 Vt. 210.

8. Letting sheep or cattle according to the usage of farmers is not usurious, though the risk of the lives of the animals be by contract on the hirer. *Whipple v. Powers*, 7 Vt. 457.

9. Lending money, or deferring a debt, and calling it cattle or sheep to avoid the statute, is usurious. *Ibid.*

10. A contract made, *bonâ fide*, in one country to be performed in another, and stipulating the higher rate of interest of the latter, is not usurious with reference to the laws of the former country. Per Redfield, J. *Peck v. Mayo*, 14 Vt. 33.

11. Where sundry small notes of trifling value are made part consideration of another note as a pretext to secure more than six per cent. interest on the money actually lent, the whole transaction is usurious. *Dyer v. Lincoln*, 11 Vt. 300.

12. If a creditor agree to receive more than legal interest for the forbearance of an antecedent debt, and such illegal interest be included in an obligation given on a settlement of such debt, such obligation is void, it being for a loan of money, within the statute. *Carlis v. McLaughlin*, 1 D. Chip. 111.

13. The taking up of one security and giving another is not such an extinguishment of the first contract that the statute of limitations will attach and prevent a recovery for usury where the declaration is founded on the *first contract*, and the usurious money is proved to have been paid upon the *last security*; the whole is considered as one entire contract. *Collins v. Roberts*, Brayton, 235.

See *Pleadings and Evidence*, 22.

## 2. Evidence.

1. Where a defence is usury, evidence of taking only a small sum above legal interest should be given to the jury. It is *primâ facie* evidence of usury, but may be rebutted. *Bank of Burlington v. Durkee*, 1 Vt. 399.

2. In an action against A, one of three signers of a joint and several promissory note, the depositions of the other two signers were taken to prove usury, but before trial A died, and the cause was discontinued. The note being afterwards presented to the commissioners appointed to settle the claims against A, and an appeal taken from their award, *held*, that the aforesaid depositions were not admissible as evidence. *Austin v. Slade's Admrs.*, 3 Vt. 68.

3. Where usury is relied on to avoid a contract, it must be fully proved. *McDaniels v. Barnum*, 5 Vt. 279.

4. To a bill of foreclosure of a mortgage defendant's answer of usury is not evidence for him, unless plaintiff asks for a disclosure on that subject, but is only equivalent to a plea of the statute of usury. *Ibid.*

5. Where a person has assigned a mortgage and notes payable to himself to raise money for another, and on a bill to foreclose testifies that he was agent for the mortgager, and that the contract on which the money was advanced was usurious, the court will not decree the notes

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and mortgage to be void on his testimony alone, when it appeared he came before the master with a prepared deposition, part of which had been written by the defendant, requesting him so to testify, and when his testimony is at variance in some material parts with the testimony of another witness, although his general character is unimpeachable. *Ibid.*

6. On a bill for foreclosure the defence of usury must be set up by a plea, and if necessary must be proved, not by the answer, but by evidence *aliunde*. *Dyer v. Lincoln*, 11 Vt. 300.

7. If the defence is to operate as a forfeiture of the debt, clear and explicit evidence must be given to show the usury. *Ibid.*

8. To avoid a note for usury, it must be proved that a usurious agreement was made between the parties, at the time when the money for which the note was executed was lent. *Hammond v. Smith*, 17 Vt. 231.

9. Proof of payment of usurious interest upon the note affords only presumptive evidence that a previous usurious agreement had been made; and the court, even if they presume that a usurious agreement was made, will not proceed further, and from that fact presume that such agreement was made when the money was lent; and that testimony alone, unaccompanied by other circumstances, will not be submitted to the jury to weigh. *Ibid.*

10. In a suit in the name of a common informer to recover the penalty of the usury statute, it must be shown that the payment of money or other thing complained of as usurious was a voluntary payment, and made according to a previous corrupt agreement. *Steward v. Downer*, 8 Vt. 320.

See *Remedy*, 14.

### 3. *Remedy.*

1. The statute to prevent usury is partly remedial and partly penal; remedial as to the right of the person paying to recover back the money within one year, and penal as to the right of a stranger, on his neglect, to recover thereon as a forfeiture. In the latter case the clerk or magistrate who signs the original writ must make a minute of the day, month, and year when the same was signed, in default of which the writ is void. *Hubbell v. Gale*, 3 Vt. 266.

2. A decree by the County Court of the foreclosure of a mortgage is not such a payment as will enable the mortgager or a common informer to recover the excess of lawful interest included in such decree. *Steward v. Downer*, 8 Vt. 320.

3. The validity of such decree cannot be again examined, and by it the usury is effectually purged. *Ibid.*

4. In a suit brought by A to foreclose a mortgage, B, the defendant, objected that the notes secured thereby were tainted with usury, but, the usurious excess being stricken out, permitted a decree to be taken against him for the sum actually due; *Held*, that B cannot maintain an ejectment against A, on the ground that the mortgage was usurious and void. *Rublee v. Chaffee*, 8 Vt. 111.

5. To a bill for foreclosure of a mortgage given to secure a note,

defendants filed a cross-bill, reciting, &c., and charging that the note therein described was usurious, and also alleging sundry payments, not indorsed upon the note, and praying a discovery upon both points. The defendant in said cross-bill demurred to the discovery. *Decreed, that* the demurrer must be allowed, unless the person demurring waives the penalty and seeks only to be relieved against the usurious contract. *Shed v. Garfield*, 5 Vt. 39.

6. The court will not admit a plea of usury presented out of time, without a waiver of the forfeiture. *Ibid.*

7. (In Equity.) Where usury has been paid upon notes which have been subsequently put in suit, and judgments have been recovered upon them and satisfied in full, which judgments still remain unreversed, a court of equity will not interfere to relieve the party making such usurious payments. *Day v. Cummings*, 19 Vt. 496.

8. (In Equity.) Where the orator alleged in his bill that a former firm, of which he was a member, and of which he was now the sole representative in interest, had made payments to the defendant of usurious interest, upon notes which the defendant was now seeking to enforce against the firm by a suit at law, and also alleged that he had himself paid usurious interest upon a note given by him to the defendant in the course of his individual business, which note he had subsequently paid in full, and prayed that he might be allowed for the payments so made, and the bill was not demurred to, nor objected to, in the court below, on the ground of multifariousness, it was *held*, that relief should be afforded to the orator for all the payments so made, although, in strictness, it was involving distinct matters in the same bill. *Ibid.*

9. Where usury is included in mortgage notes, and a bill of foreclosure is brought, the defence, based upon the usury, must be made in that suit, or the decree will conclude the right. But if the original contract, evidenced by the mortgage notes, was not usurious, the subsequent payment of usury upon it has no legal connection with it; and the amount so paid may be recovered back in an action for money had and received, notwithstanding a decree of foreclosure may have been obtained, without any allowance for the usury so paid. *Grow v. Albee*, 19 Vt. 540.

10. In an action for money had and received, brought to recover back usurious interest alleged to have been paid by the plaintiff to the defendant, *held*, that the plaintiff was entitled to recover, although it appeared that no money had been paid directly by the plaintiff to the defendant, but that the plaintiff had executed to the defendant notes which included the usury, and had secured the payment of the same by mortgage, and subsequently had sold the mortgaged premises, and allowed to the purchaser, towards the price, the amount of this encumbrance upon them, and executed a deed which was not to take effect unless these notes were paid by the purchaser, and thereupon the purchaser had paid these notes to the defendant in full. *Nelson v. Cooley*, 20 Vt. 201.

11. Where the plaintiff, in such case, had executed to the defendant one note for \$400, which was the money actually due, and had also executed three other notes for \$50 each, which included the usurious

interest, and were made payable before the large note became due, and it appeared that the three \$ 50 notes were paid, and were surrendered by the defendant before the commencement of this suit; *Held*, that the plaintiff might recover, notwithstanding it appeared that the note for the principal, \$ 400, was not paid until after the commencement of the suit. *Ibid*.

12. Where A executes promissory notes to B, which include usurious interest, and subsequently contracts with C, for a valuable consideration, to pay those notes, and C accordingly executes his own notes to B in lieu of those executed by A, and subsequently pays the notes thus executed by him, this will not entitle him to sustain an action against B, to recover the excess of interest so paid by him above the legal rate, but the action should be brought in the name of A. If the notes of C are merely substituted for those of A, without the intervention of any new and distinct consideration, they will be usurious, and C upon paying them will be entitled to recover from B the amount of usurious interest included. *Hazard v. Smith*, 21 Vt. 123.

13. Whether, in such case, the notes of C were substituted for those of A upon a full consideration received by C from A, or without consideration and as a mere substitution of one usurious contract for another, is a question of fact to be determined by the jury. *Ibid*.

14. The plaintiff having agreed with the defendant for a loan of money, with an understanding that the interest was to be after the rate of twenty per cent., procured one A to execute with him a joint and several note for the amount. The debt and interest at twenty per cent. were afterwards paid by A, according to an arrangement with the plaintiff, the plaintiff having had the sole use of the money; all which transactions were previous to the passage of the act of the 12th of November, 1822. *Held*, 1. That an action of *indebitatus assumpsit* will lie to recover back the usury so paid. 2. That the action was well brought by the borrower without joining the co-obligor, his surety. 3. That the co-obligor was a competent witness for the plaintiff. *Davis v. Hoy*, 2 Aik. 303.

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WHAT IS A POUND? — In 1758 the House of Commons issued a commission to adjust the standard of weight, and under the superintendence of competent officers of the Mint, assisted by some eminent scientific men, the standard was determined, and two troy pounds of extreme accuracy were produced. One of these pound-weights was deposited in the House of Commons, and was destroyed in the fire of 1834, and the other, until recently, has been in private hands. This duplicate of the original standard troy pound has been, since the destruction of its fellow, the weight always appealed to in any commission for the trial of weights. It was yesterday sold by auction, by Messrs. Puttick and Simpson, the well-known auctioneers of Piccadilly, amongst other effects of the late S. Alchorne, Esq., formerly King's assay-master. The weight alluded to produced £ 17, and was understood to have been purchased for the government. The hydrostatic balance, used for the trial of the standard in 1758, with several boxes of extremely accurate weights, were withdrawn, no bidder appearing for the same. The sale included many curious MSS. on Mint affairs. Amongst these was Crocker's Register Book of drawings for medals, certified under the hands of various officers of the Mint, and containing thirty autographs of Sir Isaac Newton, sold for £ 40, and will, with the most interesting of the other MSS., find its resting-place in the British Museum. Lot 178, a £ 5 piece of George III., dated 1820, and in very fine condition, sold for £ 31. — *English paper*.

## THE ADAPTATION OF RECENT INVENTIONS TO THE PURPOSES OF PRACTICAL BANKING.

A PRIZE ESSAY.

BY GRANVILLE SHARP, OF NORWICH, ENGLAND.

PART IV.

(*Concluded from page 853, May No.*)

NOTES IN DUPLICATE. — In considering the subject of cutting notes, and the amount of trouble caused thereby to banks of issue, in some localities, the question has arisen, What would be the amount of inconvenience attendant upon the issue of paper in duplicate, and what would be its advantage? The additional trouble of printing would be very small, as they need be no larger than at present, and in fact, printed at the same time, and cut afterwards, only requiring a completed margin; indeed, the present plates might merely be divided; the number is at present in duplicate, the date is frequently so, the signature and counter-signature are on different halves; in fact, they seem as if intended to be divided. An objection is, however, immediately raised, that the labor of "telling" will be double too. This, however, may perhaps be overruled and be found to possess an advantage. No cashier thinks of issuing notes without telling them twice, and that at opposite corners, thinking it possible that an adhering note may be *twice* passed in the *same position*, and so it may, and occasionally *thrice*; if, however, the cashier has to pay £ 60 out of a £ 100 parcel of notes, he would usually be content with counting the £ 60 once, leaving them to be checked by the customer, and having counted eight remaining notes confidently replaces them in the drawer.

Supposing the pile of notes to be cut in two, and placed in two separate divisions in the cash drawer, a check being presented, and the notes counted once from each pile, a comparison of the number at the top of the piles would be an equal security with the transaction just described, with this additional advantage, that a note may be more easily passed twice in the *same*, than twice in *separate* parcels; the smallness of the notes would, of course, be inconvenient at first, but the plan which might be adopted of throwing them up separately with the thumb from the counter into the hand, by which the light is seen through them, in a measure, and by which a more extended contact with the paper is obtained, would be soon more speedily performed than the ordinary movement of holding the parcel with the left hand, and raising the corners with the right. The principal objection to this mode would be in the necessity it would involve for the comparison of notes received at the counter; this might not be very great, it being insisted on that the halves be presented in corresponding order, they might be set aside until a leisure moment, when, with each hand, the separate halves might be turned over, and would then be fit for reissue.

NEW INVENTIONS IN THE CONSTRUCTION OF LOCKS AND SAFES. — The

recent "lock controversy" has much increased the public interest in this subject, and some may perhaps expect that much will be said in reference thereto; but it is conceived that the abundant information already elicited by that interest from abler writers on this subject, renders any further disquisition thereupon unnecessary. It will be right, however, to allude to some of the locks which seem to occupy a prominent position, either from their superiority of construction, or novelty of design.

It is to be hoped that the mechanical spirit which has recently been awakened may be productive of still greater efforts in the improvement of this important piece of mechanism for protecting property. Lock-picking will henceforth be more fully contemplated and provided against, in connection with lock-making. For this we may thank our brethren in America. And perhaps it is fortunate that the picking of the Bramah lock has been accomplished at so opportune a moment by Mr. Hobbs, through whose courtesy some light has been thrown upon this mystery, in the lectures at the Banking Institute and before the Society of Arts.

The circumstances under which the lock was opened are well known. It was in the hands of the operator sixteen days, who made use of a fixed apparatus, screwed to the wood-work in which the lock was inclosed, together with the assistance of a reflector, a trunk of tools, and four or five other instruments made for the purpose, having been allowed six or seven weeks previously to take wax impressions of the key hole. The only legitimate way for Messrs. Bramah to obtain "satisfaction" from Mr. Hobbs, will be to pick *his* lock, U. S. A. No. 298, capable of 1,307,654,358,000 permutations. For a time, Mr. Hobbs's locks (apart from their expense) will stand preëminent; considering that the lock picked was fifty years old, should a second challenge upon similar terms, in reference to a modern lock, be declined by Mr. Hobbs, the case will then appear materially altered. Mr. Hobbs will, of course, be willing to offer similar facilities for opening his prize locks, and if Messrs. Bramah cannot accomplish this within sixteen days, it may be probable that they cannot accomplish it at all. There can be no doubt that the principle of Mr. Hobbs's locks is most excellent, and their execution is highly creditable to America, whose locks at present stand A 1. It will be remembered, however, that his best lock is £ 50, whilst Chubb's best lock, with thirty tumblers, is only £ 15.

Some good must certainly result from this "controversy," and probably the credit of the Bramah principle and execution will in no way suffer, but eventually be advanced, by those improvements which will be consequent upon the fact of a highly accomplished American artist having succeeded, after an arduous struggle, in opening them, the facilities afforded him being such as no thief could ever possess, even if he had the necessary ability.

The case, however, has been one of no ordinary picking, and we are much indebted to the perseverance and ability of Mr. Hobbs for the stimulus which, in all probability, will be given to lock manufacture in this country.

The Messrs. Bramah will, of course, improve their lock, and increase its present high reputation. Indeed, the position of the vanquished in *such* a struggle is far from discreditable.

Whilst all locks should be distinguished by security, strength, simplicity, and durability, a very large proportion are not intended, and need not to be constructed with a view to resist actual violence. This class is useful in the prevention of petty fraud and prying curiosity, and is applicable to all those cases where the certainty of detection would deter from robbery. For the security of valuable treasure, another character of lock should be employed; one calculated not only to resist the secret attempts at tampering, but also the desperate application of main force. The discovery by the metropolitan police, in the early part of 1845, of the burglar's instrument called the "jack in the box," may well shake our confidence in the apparent security of an iron strong-room door. This instrument is so small in compass, that it might be easily carried about the person, and yet it has the power of lifting three tons' weight. This is accomplished by the power of the screw; a turned iron being inserted in the key-hole, a purchase is then gained upon the surface of the door, and either the lock or a portion of the door itself is torn away. Another plan occasionally adopted for opening safes is by the insertion into the keyhole of a burglar's "brace"; this instrument is then forced round, the lock is by this means entirely destroyed, and then the bolt is readily shot back by some instrument, or sometimes by gunpowder. In some cases the "stub" which holds the bolt when it is thrown has been drilled out (its position being generally known); the bolt is thus at liberty. In other cases, burglars have avoided the door altogether, and obtained an entrance to the strong room by excavation. Time, therefore, being granted, it is possible for men to get through almost any thing; therefore, in addition to locks, and bars, and bolts, and doors, it is essential that some one or more individuals should be day and night on the premises, wherein property to a large amount is kept. A secure room should be arranged, as near the safe as may be, wherein some one should sleep, with closed and fastened doors; fire-arms forming part of its furniture. The room also should be so constructed, that the shutting of the door may not impede the ready perception of the slightest noise; a person in such a case cannot be suddenly surprised by any one concealed within the building, but would have time for thought and preparation should he be disturbed. In addition to this arrangement, of course the strongest available defence in stone and iron should be used; but it is evident, for the protection of valuable property, they alone are insufficient. A useful addition to the safe door-locks will be found in the sliding rod, occasionally adopted, which may be lowered from the room above through the safe door.

Some delicate machinery has been constructed for the purpose of alarms, which are frequently attached to doors and windows, bank safes, and even *locks*. It has, however, been found, that the trouble of nightly adjusting all these instruments, together with the attention necessary to insure their action, and the annoyance caused sometimes by *false* alarms, form a serious objection to their use, and it is thought that, if a

safe is sufficiently secured, no successful effort could be made to enter it without the person sleeping near it being aroused, especially if aided by a little dog.

It may be well to notice in this place the peculiar suitability of the locks constructed by Mr. Marr for all safe doors; these are so constructed that they cannot be affected by the burglar's brace, and no one can open them, even if intrusted with the keys, without being instructed as to the secret of doing so. In Mr. Marr's arrangement, two locks are contained; one is placed behind the other; the hinder one serves to lock the bolt, it having been thrown by the handle. The outer lock, with a second key, then throws a strong hardened steel plate over the keyhole. This is far preferable to the ordinary brass escutcheon locks. The keyholes are placed at right angles with each other, thus making the introduction of picklocks impossible; and the outer keyhole of the door is at right angles with the outer lock. The keys are small, thus preventing the facility afforded by large keyholes for the use of force or cunning. Mr. Marr has very wisely abstained from advertising the principle of his lock, thinking, the less that is publicly known of it the better. In the construction of safe doors, Mr. Marr protects his locks from being drilled by riveting a number of old files on the back of the door, thus gaining additional strength.

Mr. Hobbs has not had the opportunity afforded him of earning 200 guineas in sixteen days, by exercising his talents upon the locks of Chubb & Son. A lock, however, bearing their name, has been picked by him in the presence of Mr. Porter, of the Board of Trade, Mr. Galloway, and other engineers. Messrs. Chubb affirm that this was an old lock of their father's, made under a former patent, without the modern improvements. One particular feature in the Chubb lock is the "detector." This consists of a simple arrangement which is brought into action when either of the "tumblers" is overlifted by a false key or picklock; when this is done, the true key will not unlock it until it has been released. This is done by "reversing the key." This detector system, which is adopted in many locks, may be useful for the discovery of fraud, but the *ready manner* of releasing the detector appears decidedly objectionable, as, on attempting to unlock the door by the proper key, the hinderance would probably be thought to be accidental, or arising from some misplacement, and in a moment, without reflection, the key would very probably be reversed, and the idea never occur that the detector had been thrown at all. This principle of reversing the ordinary key, in order to reinstate the detector, appears to be adopted in all the detector locks, and its extreme readiness appears a great objection.

The plan adopted in the Chubb locks at the Westminster Bridewell, where 1,100 locks are fixed, forming one series, is far superior, when, in case of any surreptitious attempt being made to open a lock, and the detector being thrown, the governor alone has the power, with his key, to replace the lock in its original state.

The detector arrangement, although possessing some advantages, is not without its evils, especially in locks where the detector is liable to be



thrown by the tumbler being very *slightly overlifted*, as in this case; the pressure of the detector, commencing almost immediately upon the tumbler being raised to its *proper elevation* for allowing the bolt to pass, may indicate to the lock-picker the character of instrument to be used; and in such locks, when by long use the tumbler-springs are considerably weakened, the detector may be sometimes started by a sharp movement of the *proper* key. Where there exists the remotest possibility of this occurring, the detector were far better absent, as the discovery of a detector being thrown is one of great importance; this danger will be obviated by placing the detector some distance above the ordinary range of the tumblers, and although not so much skill may be required for its manufacture, yet the lock exhibited by Tann & Sons, which requires that the tumbler should be raised considerably beyond its proper height in order to throw the detector, may be, for that reason, the more really useful lock. It seems that detectors generally should neither be too readily thrown, nor too readily adjusted.

**GUARDED TUMBLER LOCKS.**—Messrs. Tann & Sons' locks are also provided with a "flange," or "guard," affixed at right angles to the edge of one or more of the "tumblers," thereby covering and entirely protecting the *edge of the "tumbler" above it* from the action of a "pick," and supposing all the "tumblers" but this one to be successfully raised, the bolt could not be moved.

It is very desirable that keys should be made as small as possible, consistently with the power required, that they may be conveniently carried in the pocket; and these locks are distinguished in this particular, the heavy bolts being first shot by a handle in the door.

Where the workmanship of locks is very fine, small keys can be made to shoot large bolts, as is beautifully exemplified in the lock exhibited by M. Grangoir, 2 inches thick, 10 inches long, and 6 inches deep, having a bolt  $1\frac{1}{2}$  inch by  $1\frac{1}{2}$  inch; this bolt is shot out two inches at two revolutions of the key, the key being only 1 inch long and  $\frac{1}{2}$  inch thick, the handle ring  $\frac{1}{2}$  inch diameter, and the stub of the key is only  $\frac{1}{8}$  of an inch long; the whole being no longer than a small watch-key.

The lock exhibited by Messrs. Barron & Son, with eleven tumblers, appears to correspond very materially in principle with those by Messrs. Chubb; the original patent being, however, for a lock with two tumblers moving in a racked bolt, these tumblers are placed in different radii, and the key "bitted" accordingly. In both cases, the bolt is released by the raising of tumblers to a certain height. The detector is also regulated by the proper key, when it has been thrown.

The detectors of the locks exhibited by Mr. Gibbons are upon the same principle. Those made by Mr. Woolverson are distinguished by the delicate poising of the detector, by which it is rendered very susceptible.

An apparently superior method of "detection" is afforded in the lock constructed by Mr. Huffer. If a false key is inserted, it is immediately secured by a revolving wheel immediately behind the face of the lock, closing the keyhole entirely; the lock is provided with a second keyhole, having a series of "sliders," which are operated upon by the true key to release the false one.

In this lock, and also in that exhibited by Mr. Foster, there is a curious arrangement for "protection" as well as "detection," for, on attempting to tamper with them, *lancets* are shot from the sides of the keyhole, calculated to inflict considerable injury on the hand that would invade it.

Mr. Cotterill's locks are made very scientifically, being, in fact, fitted to the keys, which are all cut unlike one another. The key-cutting machine, Mr. Cotterill asserts, is constructed on a scale of a million to the inch, two keys only being cut whilst the machine is in one position. If the locks are made upon a scale equally exact, it would appear that the alteration in the size of the keys from *variation of the weather* (!) must inconveniently affect their action, and that a key which, at a temperature of 40 degrees, would pass the lock, would, if raised to 70, throw the detector, which is "easily" released in the ordinary way. It is very desirable that keys should be varied in size, although the value of the difference does not consist in its minuteness.

Mr. Cotterill has some very high testimonials from practical engineers, and machinists, in reference to the general construction of his locks; and from the indentation in the key being so varied in depth and inclination, it would be extremely difficult to take an accurate impression.

The locks exhibited by Mr. Taylor, called "Improved Balance Detector Lever Locks," have no detector, although called by the name (and perhaps they are as well without). The tumblers are capable of variation, by which a great many "changes may be rung," amounting in one lock, it is said, to two million. The permutation principle, however, is not contained in the key.

Messrs. Gray & Son's may also be called a "permutating" lock, the construction admitting of infinite variations; in the specimen exhibited, to which the prize medal of the Royal Scottish Society of Arts was awarded in 1850, there are two bolts, each operated upon by a different set of "players"; the lock has four players for one bolt, and three for the other; and the distinct positions in which these players may be placed, by fine workmanship, is said to be 30 for each player; and the committee of the Society report that, allowing 30 distinct positions for each player, the number of different locks which might be constructed would be upwards of 22,540,000,000,000,000,000,000,000, thus affording security against false keys; these locks have at present only been made for bank-safes, in which case the size is generally about 20 inches square. A twelve-lever lock of this description would cost £7 10s.

Mr. Parke's beautiful padlock is a modification of the Bramah slider lock.

The Lever Bolt Safety Lock, exhibited by Windle and Blyth, is very peculiar; in addition to racked tumblers, it has a set of "lever bolt guards." The key is in two connected pieces; the "nose end" is provided with a "bit" on one side, and the handle part with a "bit" on the other side; the key, being placed in the keyhole, on being partly turned, assumes a different shape, and in this condition, by one bit, withdraws the "bolt-guards," whilst the other shoots the bolt itself.

A peculiar principle is also observable in the key of the lock manu-

factured by Bryden & Sons, which extends outwards after it is inserted in the keyhole, operating upon distant "players." An essential part of the key is also made removable at pleasure, without which the key is useless.

The elaborate keyholes observed in some of the old locks are abandoned in those of modern date; and thus, the form of the key being more simple, its imitation is perhaps facilitated, and at the same time the lock is more readily examined by a reflector. A beautifully worked specimen of a key and keyhole was exhibited by Mr. Raab; and this may possibly suggest the idea of greater precaution against the imitation of keys, — their *possession* for a time by a good workman being all that is required for a fac-simile to be produced. Such a key as that above referred to would, however, be exceedingly difficult to copy.

Where it is not required that doors should be locked from both sides, there is little advantage in having a keyhole *through*; this only causing the lock to get sooner dirty, by the constant current of air carrying dust into it. The tampering with a key with burglars' nippers, on the outside of a door, is prevented by the "safety key," exhibited by Mr. Hanley, the end or point of which is made to turn upon a pin, so that the "nippers" are useless.

Messrs. W. & J. Lea have invented some very useful little key-rests, consisting of a brass bracket, about an inch square, to which are attached two pliant pieces of steel, curved to receive the barrel of the key; these may be screwed up in a cabinet or closet, one under the other, and keys fixed and removed in a moment, thus admitting of more compact arrangement than the ordinary hooks; prices, according to size, 4s. 6d. to 9s. per dozen.

The splendid lock exhibited by Mr. Downes must not be overlooked; its mechanism is peculiarly beautiful, and for strength and security is very valuable. It is to be placed upon the centre of the door, shooting three bolts from each side; these twelve bolts are secured by "rising bolts," worked by spiral springs; the "rising bolts" also secure four "fly bolts," which are confined by two elliptic springs; the key is in the form of a cross, and, by means of a number of "secret wards," forces the "fly bolts" from their fastenings, at the same time working an eccentric lever wheel, by which the twelve bolts are thrown. The key cannot be withdrawn until the lock is fastened. A lock on this principle might be also made for bank outside doors, shooting two long bolts, one up and one down. For a door three or four feet wide, and seven high, the price would be £18 or £20.

As a specimen of foreign manufacture, the lock exhibited by M. Bergstrom is worthy of attention, and although of rough exterior, on being opened, the interior work is found to be extremely good. It has eight tumblers, and is without detector; price £3.

LETTER LOCKS. — The principle of these locks is very fully carried out on the Continent; most of their iron safes being fitted with them. In some of these, several alphabets are used, and by this means an almost endless "permutation" is obtained. These locks, when of a common description, are any thing but safe. From reposing confidence

in the secret of the lock, less care is naturally taken of the key, which being improperly obtained, the lock may not unfrequently be opened by attaching a weight to one side of the key, and severally turning round the rings until their correct position is discovered. The Continental locks, however, are of most excellent construction, but it is quite possible that, if, in haste, a person after having locked the door should forget to disconnect the letters of the secret word, the "sesame" may be discovered.

This subject must not be concluded without an expression of astonishment and admiration at the exceedingly curious principle adopted in the locks of Mr. Hobbs's invention, manufactured by Day & Newell, and those of Mr. G. Shmedlier, of Vienna; here the "permutations" are not caused by any variations in the construction of the locks, but are produced by the action of the key. It is pretty well known, that the part of the key corresponding with that which, in other keys, is usually termed the bit, is in these keys formed of a number of flat rings of iron of various sizes, — the relative position of these rings can easily be altered, by removing the end of the key. In the process of locking, the key forms the lock according to its own shape, and then no other key will open it. The process by which this is accomplished is not easily understood, much less easily described; a set of steel bars or plates is operated upon by the rings, which, in the passage of the key, are thrown into certain corresponding positions. The key may be varied almost infinitely, and a fac-simile lock will be produced.

**SAFES.** — For the purpose of awakening attention to the importance of locks and safes, it may be suitable here to quote a passage from the *Bankers' Magazine* for April, 1845: —

"In a country where a large class subsist by robbery, and where the means of effecting it securely is the constant study of skilful and ingenious thieves, the only means of baffling them, and of protecting the ordinary depositories of valuables from their felonious attacks, are to call in the aid of the greatest mechanical skill with respect to locks and fastenings, and to exercise unceasing care and vigilance. The bank robberies during late years show that they have been planned with extraordinary sagacity, and have been effected with a degree of skill which proves that they are not undertaken by ordinary thieves. The large amount of money which the housebreakers are confident of obtaining, in the case of a successful burglary at a bank, induces them to act with a degree of skill and caution proportionate to the expected booty, and it is for this reason that an unsuccessful attempt to rob a bank is seldom heard of; when "a set" is made at a bank, every information is, in the first place, sought for by the burglars, of the means of security adopted, and it has been ascertained that many weeks, and even months, have been occupied in this manner. Attempts are made to tamper with the servants, and an acquaintance is formed, if possible, with some of the female domestics. If, upon inquiry, it is found that the means of security are so numerous and inviolable as to give no chance of success, the matter is quietly dropped; but if any opportunity presents itself, no time is deemed too long to wait for the proper moment when the bank may be entered, the misnamed *safe*, or *strong room*, be opened, and a clean sweep made of all the convertible securities and money it may contain."

The discoveries in chemistry have done much to promote security from fire; and the sides of safes, when constructed with highly non-conducting chemical preparations, are capable of withstanding a great amount of heat for considerable periods. Many persons have been surprised at the amazing thickness of the safe exhibited by Mr. Lead-

beater. This thickness of nearly 12 inches is not generally necessary, and is intended for cases where, for convenience, it may be placed in the centre of a warehouse containing large quantities of inflammable matter; the sides are filled with non-conductors. A safe, similar to that exhibited, affording 6 cubic feet of clear space inside, viz. 36 inches high, 24 inches wide, and 12 inches deep, would be £ 100. Mr. Lead-beater would, however, furnish a safe 3 inches thick at all parts for £ 75. He has supplied several banks with safes of this description, including London and County Bank, Royal British Bank, Messrs. Walter, Haverfordwest, Mr. Adams, Ware, &c.

No one should purchase a fire-proof safe without first reading the interesting pamphlet of fire-proof statistical detail, published by Messrs. Milner & Son, safe-manufacturers, with full particulars of their patent principle, which is founded upon the use of chemical non-conductors, together with the use of water, which, in case of fire, by its gradual conversion into vapor, has a powerful influence in resisting heat. The cost of an outside size banker's safe, 6 feet square, and 8 feet deep, would be £ 200.

The patent fire-proof strong room of wrought-iron is particularly worthy of attention. This is exhibited by Mr. Marr, whose peculiar success in the construction of his locks has been already alluded to. This room, or safe, is 6 feet cube, and the sides, 4 inches thick, are made upon chemical principles of resistance.

Mr. Marr's workmanship is distinguished by stability and care in its execution, and his safes are used by some of the first bankers in the country. One of these was taken red-hot from the ruins of the Royal Exchange, in 1838, when the documents contained were found in a state of perfect preservation.

FOREIGN SAFES.—The fire-proof safe of Mr. Kolesch, from Stettin, is singular in appearance, no keyholes being visible, and the locks are so arranged that they cannot be opened, with the right key, by any one unacquainted with the secret. These *secrets* appear generally objectionable, on the ground that great reliance may be placed upon them, whilst all the while, perhaps, their existence is known and understood, although the party interested may not be aware of it. The price of this safe is £ 82 10s.

A beautiful iron safe is exhibited by Mr. Arnheim, from Berlin; this is especially adapted for a *money* safe, on account of its great strength. It is fitted up with iron drawers.

The splendidly burnished safe by Sommermeyer & Co. is very attractive and finely executed, as are also those of M. Verstaen and M. Paublan, from Paris. In these the fire-proofing consists in the side being constructed of double iron with wood between; this, as a slow conductor, is very well, although not equal to the chemical combinations in English safes. The price of the two safes exhibited by M. Verstaen is £ 80 and £ 140.

Wilder's Patent Salamander Safes seem to possess an equal notoriety in America with Milner's safes here. A very long list of testimonials is presented in their favor, and on many occasions they have been sub-

jected to severe fiery tests. The price of the small specimen exhibited is £ 40.

*Locks*, and especially *safes*, being considered as amongst the most important articles in the Exhibition connected with banking, will, it is thought, justify their having been thus somewhat lengthily discussed; it must, however, be observed, that the "safes" of the Great Exhibition, *as a whole*, are distinguished rather by ornament and beautiful workmanship than by stability and practical utility for banking purposes; they are too small and they are too handsome, and, as a consequence, they are (proportioned to the accommodation afforded) far too costly.

Chemical compounds, which are prepared with great labor and expense, are extremely valuable for safes, when these safes are liable to be exposed to fire; but when the property to be secured is so valuable as in banks, it may be desirable to incur some slight inconvenience to place it in a *position* which is in-itself fire-proof. It is therefore suggested, that bankers' safes, especially money safes, should always be *under ground*. If this cannot be arranged, then they should have fire-proof floors above and under them, and be so placed that a passage or space should run round or about them, and that no *wooden* fittings or furniture occupy the intermediate space. The safe wall should, of course, be constructed of stone and iron. The next wall to it might be built of hollow bricks, or these hollow bricks filled with sand. A safe by this means must be entirely fire-proof, and, if arranged at the time of building, might be but a slight expense. In case such a room was proposed to be built, as an addition to a bank, the floors being already made, a security from fire might be obtained by adopting Mr. Macbay's invention. This consists of "*fusible heads*" attached to the ends of pipes leading from a cistern of water, or a constantly charged main; the pipe is made to terminate in several of these sealed "*fusible heads*" which may be placed in any desired position. In case of fire, if the heat is raised to a certain height, these heads are fused, and the water immediately gains vent and deluges the surrounding parts. If for the mere security of *books*, the stone walls might be dispensed with, and brick used, as it seems hardly necessary that a book-safe should be made specially thief-proof. The strong room just described will be principally suitable for those books of a *valuable character* which have been filled. These *must be kept dry*, which is not easy in the case of papers confined for years under ground, except by constant fires; and although Mr. Clifford's valuable invention for restoring books and papers may do *much*, it is a better plan to *prevent* the necessity for its use. Although the "strong" room mentioned above may be deemed a sufficient security for even valuable books *when filled*, and on account of its superior dryness be preferred, it seems that books *in use* should be kept beyond the possibility of fire, as much as bills and bank-notes. These, therefore, should go below, and for this purpose it is suggested that a cellar room or well, lined and arched with Ridgway's *hollow* bricks, should be constructed, and, for convenience, as nearly in the centre of the bank as possible, having a square opening at the top, some distance underneath the floor. That a cubical frame, or cage, of flat bar-iron should be formed to corre-

spond in size with the opening, a powerful tackle and windlass being fixed above it. This "cage" might then, by means of "sliding bars," be raised and lowered through the opening into the room below. One side of this cage should be open, into which, when drawn up level with the floor, a barrow might be wheeled, containing the books in daily constant use. The three other sides might constitute a series of bookshelves, externally accessible for those books most frequently referred to by clerks in its immediate vicinity. If the hollow bricks were not found sufficient to keep the room from damp, a stream of hot air from a flue might be occasionally driven through it.

We have thus grouped together such of the productions of human skill, exhibited in the Crystal Palace, as appeared peculiarly subservient to the purposes for which this essay was originated.

While diligently engaged in this selection, and testing in some degree the relative merits of various designs, we have often been astonished at the wonderful works of man, and irresistibly led to the conviction, that "his God doth instruct him to discretion," and, while devoutly echoing the very appropriate motto of the general catalogue,—"The earth is the Lord's, and the fulness thereof,"—to acknowledge, "This also cometh from the Lord of hosts, who is wonderful in council and excellent in working."

#### THE PRIZE ESSAY.

THE Essay of which the above is the conclusion was written in pursuance of a notice in the *London Bankers' Magazine* for January, 1851, viz.:—

"We are authorized to announce that J. W. Gilbert, Esq., F. R. S., will present the sum of one hundred pounds to the author of the best essay which shall be written in reply to the following question:—

"In what way can any of the articles collected at the Industrial Exhibition of 1851 be rendered especially serviceable to the interests of Practical Banking?"

The following gentlemen consented to act as adjudicators in the case:—

P. F. Aiken, Managing Director of Stuckey's Banking Company, Bristol.

C. Brown, a Director and (the late) Manager of the Cumberland Union Bank, Workington.

P. M. James, a Director and the Manager of the Manchester and Salford Bank, Manchester.

The writer of the Essay to which the prize has been awarded is Mr. Granville Sharp, an accountant in the East of England Bank, at Norwich. The author has divided his Essay under the following heads:—

I. ARCHITECTURAL MODELS THAT MAY SUGGEST IMPROVEMENTS IN THE BANKING HOUSE OR OFFICE.

II. LIGHT, HEAT, AND VENTILATION.

III. DISCOVERIES IN THE FINE ARTS BY WHICH THE INTERIOR OF A BANK MAY BE DECORATED.

IV. DISCOVERIES BY WHICH THE BANK FURNITURE MAY BE RENDERED MORE COMMODIOUS.

V. IMPROVEMENTS IN WRITING-PAPER, PENS, INK, ACCOUNT-BOOKS, SCALES, LETTER-COPYING MACHINES, AND OTHER INSTRUMENTS USED IN CARRYING ON THE BUSINESS.

VI. IMPROVEMENTS IN PRINTING AND ENGRAVING.

VII. NEW INVENTIONS IN THE CONSTRUCTION OF LOCKS AND SAFES.

## BANK CORRESPONDENCE.

## I. BANK EXCHANGES.

. . . . . *Bank, New York City, May 15, 1852.*

J. SMITH HOMANS:—

DEAR SIR,—It has occurred to me that if you could publish in your Magazine the system pursued by the London bankers in making their exchanges,—say the *modus operandi* of the Clearing-House,—you would impart an interesting matter to bankers generally. I am not myself acquainted with the system, but I believe there are publications on the subject, which I suppose could be obtained without much trouble.

Very respectfully yours,

. . . . . *President.*

REMARKS.—Our correspondent will find the business details of the London Clearing-House fully described in our fifth volume, pp. 980–986 (June, 1851), from the pen of J. W. Gilbert, Esq., Manager of the London and Westminster Bank, and in the No. of this work for April, 1852, pp. 787–789; also in Mr. Gilbert's "Practical Treatise on Banking," pp. 252–256.

Our correspondent is probably aware that the Wall Street banks have under consideration a plan for conducting the exchanges between the several banks of that city, whereby much labor, time, and risk may be obviated. The banks of Boston and New York both, at present, make their exchanges with much trouble and risk to each other. It is only a few weeks since that the Suffolk Bank of Boston lost a bag of gold during one of these exchanges.

The best system we have heard of in this country is in operation at Philadelphia, as described in pp. 657 and 658 of our present volume.

## II. BANKING IN CINCINNATI.

*Cincinnati, May, 1852.*

BANKING in Cincinnati is not done upon the issues of the chartered banks of the city, but upon Ohio interior, Indiana, Kentucky, and Virginia paper, indiscriminately. This is called *par*,—or, in other words, is bankable,—received and paid out on checks by all the chartered and private banks in the city; this causes the great and frequent fluctuations in exchange with us, and which parties at the East, not knowing the basis of our business, are unable to appreciate or account for.

We could draw for specie or city notes, the year round, at  $\frac{1}{4}$  to  $\frac{1}{2}$  per cent., because the transportation of gold costs but 1.75 per \$1,000, or  $17\frac{1}{2}$  per cent., and without loss of time; but for *bankable funds*, the rate must depend upon the quantity in market, or the proportion they bear to the amount of exchange on hand. Thus, in December and January, when large amounts of Eastern certificates, acceptances, &c., are thrown into market to buy pork, and the bank-notes are as rapidly *taken out* by the drovers, exchange often falls to  $\frac{1}{2}$  discount, and has been sold in considerable sums at 1 off, arising from the great scarcity, for the time being, of the currency. Our banks then make occasional special discounts for parties at a distance, and pay out their own notes; these, however, naturally return very soon, for the plain reason that they are  $\frac{1}{4}$  to  $\frac{1}{2}$  more valuable than our *par funds*.

The amount of exchange annually sold here on the Eastern cities,—say Boston, New York, Philadelphia, and Baltimore,—is at least forty millions of dollars, and probably is nearer fifty millions;—this is by estimate. Our sales on the several cities, the current year, will be nearly eleven millions,—between six and seven on New York, and the balance on the other points. We can, of course, judge somewhat of others' business by our own. Of this sum we should judge the private bankers sold the largest portion.

The deposits in the hands of private bankers amount to an aggregate of three millions of dollars, at least,—on all of which interest is paid.

Most of the private bankers vary their rates according to the demand for money. We charge 12 the year round,—thus making it in every point of view as eligible to keep an account with us as with a chartered institution, if the account is a *fair one*. To allow 6 and charge 12, if the party does not borrow more than his average credit, is as well as to pay 6 and get nothing.



## III. BANK INTEREST.

A subscriber would ask what is the law or custom in a case as follows:—A note, dated January 25, at 6 months, for \$2,000, is due July 28, the interest is required to be taken out from March 9 to its maturity, July 28.

Calculating by days, from March 9 to July 28, 141 days, at 6 per cent., is,	\$47.00
" " months, from March 9 to July 28, 4 months and 19 days, at 6 per cent., is,	46.33
Making a difference in the two ways of	.67

Which way is correct, lawful, and customary? Please inform, and much oblige,  
*McN.*  
*Bridgeport, March, 1852.*

REMARKS.—In the computation of interest, it is the general rule among banks to calculate by months on all paper having over sixty days to mature (unless drawn at ninety days' date). Thus paper dated January 25, payable at 6 months' date, and discounted March 9, would be liable to 4 months and 19 days' interest,—say on \$2,000,

April 9, would be 3 months 19 days,	36.33
May 9, would be 2 months 19 days,	26.38
June 9, would be 49 days,	16.33

Some banks charge, invariably, for the day that paper is discounted, as well as the day of maturity; thus making 64 days' interest on a note payable 60 days after date; but this rule is not general.

## MISCELLANEOUS.

LOUISIANA.—LAW OF 1852.—SECTION 1. *Be it enacted by the Senate and House of Representatives of the State of Louisiana, in General Assembly convened, That, when a debtor wishes to pawn promissory notes, bills of exchange, stocks, obligations, or claims upon other persons, he shall deliver to the creditor the notes, bills of exchange, certificates of stock, or other evidences of the claims or rights so pawned, and such pawn so made, without further formalities, shall be valid, as well against third persons as against the pledgers thereof, if made in good faith.*

SEC. 2. *Be it further enacted, etc., That all pledges of movable property may be made by private writing, accompanied by actual delivery; and the delivery of property on deposit in a warehouse shall pass by the private assignment of the warehouse receipt, so as to authorize the owner to pledge such property, and such pledges so made, without further formalities, shall be valid, as well against third persons as against the pledgers thereof, if made in good faith.*

SEC. 3. *Be it further enacted, etc., That if a credit not negotiable be given in pledge, notice of the same must be given to the debtor.*

SEC. 4. *Be it further enacted, etc., That, in all pledges of movable property, it shall be lawful for the pledger to authorize the sale, or other disposition of the property pledged, in such manner as may be agreed upon by the parties, without the intervention of courts of justice.*

NUMISMATOGRAPHIA.—Numismatic science has to lament the loss of a long known, learned, and distinguished cultivator, Mr. H. P. Borrell: who died on the 2d of October, 1851, at Smyrna. His numerous and excellent memoirs on Greek coins, and his clever work on the Coins of Cyprus, form permanent memorials of his erudition, research, and correct judgment.—*London Athenæum.*

CALIFORNIA MINT.—The "Contract for Smelting and Assaying Gold in California, authorized by an act of Congress," held by the late firm of Moffat & Co., has been transferred and continued to Messrs. Curtis, Perry, & Ward, by the Treasury Department, from which they have received instructions authorizing the issue from the U. S. Assay Office of ingots of ten and twenty dollars. No more coin bearing the stamp of "Moffat & Co." will be issued, and that already issued will be redeemed whenever demanded.—*San Francisco Picayune, Feb. 17.*

**COMMERCE.**—Commerce, on the grand scale, is connected with the chief events of history; with all the noted terrestrial discoveries; all the scenes of nature; all the spheres of enterprise; all the triumphs of invention; all the manners of the nations. . . . Commerce mounts upon every steed; now on the camel, patient as a thing inanimate; now on the ship, active as a thing of life, with the canvas for her wing and the magnet for her scent; now on the fleet horse, now on the drowsy buffalo; now on the toiling wain, now on the flying engine; now on the steadfast mule, now on the quivering steamboat; now follows the fleet foot of the reindeer, now loiters on the dank canal; now skims in the slight canoe, now rolls in the thundering train; now whirs on the wing of the carrier pigeon, now clings to the writhing catamaran. — *Arthur's Successful Merchant.*

**OUR MONEY CIRCULATION.**—(From the Philadelphia Ledger.)—One way of forming an idea of the state of our currency is to observe the count of a church collection. Such a one, taken last Sunday, in which the contributions varied from a twenty-dollar note to a dark-brown cent, gave the following details (I omit the cents, as we know there are enough of them). The bank-notes reckoned \$99, the gold \$57, the silver \$37, in all, \$193. The gold consisted chiefly of quarter-eagles and dollars; the silver of Spanish quarters, and our own smaller pieces. As far as this census goes, it shows a very good share of the metallic element in Philadelphia currency. I suppose that a similar sum-total in any of the paper-dollar States would have shown \$156 in paper, the rest in small silver. NUMMULARIUS.

**VALUE OF REAL ESTATE IN SOUTHERN CITIES.**—Three extensive sales of Real Estate in three different cities have been made within a few weeks. In Mobile the property belonging to the U. S. Bank brought an enormous advance; Col. Maunsell White's property in New Orleans realized considerably beyond the estimate placed on it by the trustees; and at Charleston, the sale of the estate of the late John L. Pezant gave evidence of the great enhancement in value of real estate within a few years.

**AGRICULTURAL BANKS.**—The establishment of agricultural banks (*credit foncier*) is actively carried on in the central and southern departments of France. An association of landed proprietors has been formed at Clermont-Ferrand, to found an agricultural bank for the departments of the Puy de Dome, the Allier, the Cantal, and the Haute-Loire, in concert with the deputies of those departments, and with the aid of the agricultural societies. The committee is composed of persons who possess influence in the country. At the head of them is placed the Viscount de Sedages, Director of the National Bank of Clermont, and a member of the Agricultural Society of the Puy de Dome. The proposed association appears to be the first to make the experiment of the results to be produced by the decree of Louis Napoleon of the 28th of February last.

**SUB-TREASURY OF NEW YORK.**—Mr. Bradish has assumed the duties of his new office as Assistant Treasurer of New York, in place of Hon. John Young, deceased. His bonds amount to four hundred thousand dollars. The Tribune says that his sureties were Benjamin L. Swan, John C. Green, Morris Ketchum, George Griswold, Richard M. Blatchford, Henry Chauncey, William H. Aspinwall, and Nelson Robinson, each being bound in the sum of fifty thousand dollars.

**U. S. MINT.**—A correspondent states that the Mint authorities had refused to receive at the nominal value a gold coin purporting to be issued from the U. S. Assay Office in San Francisco, and which it was difficult to distinguish from the genuine issue of the United States. The following communication from the Director is a satisfactory explanation.

*Mint of the United States, April 23d, 1851.*

The communication in your paper of this morning, relative to the responsibility of the United States government for the California private coinage of Moffat & Co., of California, and the obligation to receive the same in payments to government, demands some explanation.

In order to justify a public officer in accepting a coin as money, some law is necessary, making the same a legal tender of payment. It is sufficient, therefore, to state, that the issues of Moffat & Co., and others in California, are utterly unrecognized by law, to show that there is no obligation whatever on the United States to accept the same.

There is a Government Assayer in California, Mr. Augustus Humbert, who is au-

thorized to stamp the fineness and value of bars and ingots for the owners of bullion. But even these are not made money, or a legal tender, and the government is under no obligation to receive them. I understand that Moffat & Co., under the supervision of this Assayer, manufacture the octagonal ingots which he issues; but for the coins of that house he assumes no responsibility whatever.

It is not correct to say that no difference is apparent between the private coinage referred to, and that of the United States. For on the obverse, the name of Moffat & Co. is distinctly substituted for the word Liberty on our own coin, while on the reverse we have "S. M. V., California Gold," in place of the words "United States of America." Nevertheless, the close imitation of the devices on the national coin by the private mints of California is very inconvenient, and apparently in contravention of law.

But the officers of the Mint have no power to interfere, and are in no manner responsible therefor. It is possible that a mixture of such private issues with the national coinage may tend to discredit its accuracy in foreign countries, where a careful separation of such pieces may not be made; but as long as our mints conform to the standards of weight and fineness prescribed by law, they should no more be held to censure for the irregularities due to this private coinage, than for those due to absolute counterfeits with a fraudulent intent.

GEORGE N. ECKERT, *Director*.

**GOLD DOLLARS.** — Split gold dollar pieces are rapidly multiplying, and the caution cannot be too often repeated to be on the look-out for them. The piece, by some fine and ingenious machinery, is split in two, about one half of the coin abstracted, and the plundered sides stuck together again, the face of the piece not the least scarred or injured. A little care will readily detect the fraud. The milling around the edge will be found broken, and very generally a pewter-colored cement may be observed protruding from it. The coin, too, is thin in the middle.

**NEW ORLEANS FINANCES.** — Sealed proposals will be received at the banking-house of Messrs. Corning & Co., in the city of New York, from Saturday, the 15th May, to Monday, the 19th July next, at 12 o'clock M., for the purchase of all or any portion of a series of two thousand bonds of the city of New Orleans, for the sum of one thousand dollars each, to be issued in conformity with the resolutions adopted by the Commissioners at a meeting held on the 28th April, 1852; said bonds to be dated July 1, 1852, payable in forty years, at the office of the City Treasurer, with interest at the rate of six per cent. per annum, divided into coupons attached thereto; said coupons being made payable semiannually on the first day of January and the first day of July of each year, at the office of the City Treasurer, or in the city of New York, at the option of the purchaser.

The proceeds of the sale of said bonds to be immediately applied to the payment of all the matured obligations of the city of New Orleans, and of the late First, Second, and Third Municipalities, and of the city of Lafayette, viz.: — Bonds, Interest Coupons, Interest on all Coupons and debts overdue, Notes, Cash Warrants, etc., on presentation thereof at the City Treasurer's office.

**PENNSYLVANIA FINANCES.** — The Secretary of the Commonwealth has given notice that proposals will be received at the State Treasury until the 12th of June next, for the North Branch Canal loan of \$850,000, at a rate of interest not exceeding six per cent., payable half-yearly, in specie or its equivalent. This loan is for thirty years, and is exempt from taxation for any purpose whatever. The certificates will have coupons attached, and will be issued in sums of one, five, and ten thousand dollars. Bidders for the loan will remember this fact, and shape their proposals accordingly, which must state explicitly the amount proposed to be taken, the lowest rate of interest, and the premium; but no smaller fraction than one quarter per cent. will be entertained as a bid. The State reserves the right to accept the whole or any part of the sum offered, unless the proposal stipulates to the contrary. This will be one of the most desirable loans on the market, and will, no doubt, enlist the attention of foreign capitalists. The law limits the rate of interest to six per cent., though we have no doubt it will be taken at considerably less than five, a part of it probably as low as four per cent. The fractions in the rate of interest are limited to the larger parts of a dollar, — that is, the proposal must name five per cent., four and three fourths, four and one half, four and one fourth, four, &c.; eighths, tenths, sixteenths, &c., will not be considered. One third is payable on the acceptance of the proposal, one third in fifty days, and one third in one hundred and twenty days.

**CONNECTICUT.**—We have received a copy of the message of Governor Seymour to the Legislature of Connecticut. The financial affairs of the State are in a most prosperous condition. Its ordinary expenses for the fiscal year ending on the 31st of March were \$109,847.53, which with \$26,832 paid to the school fund, and \$646.75, unpaid taxes, made a total of \$137,326.18. The receipts for the year, including a balance of \$26,266.22 on hand, were \$176,456.21, leaving a remainder of \$39,103.03 beyond the expenditures. Eight thousand dollars of this have been appropriated to the payment of the indebtedness to the school fund, which is now discharged in full, and the State commenced its present fiscal year entirely free from debt, and with thirty-one thousand dollars in its treasury. Under these circumstances the Governor recommends that the State tax be reduced from one to three quarters of one per cent.

The Governor reiterates his recommendation in favor of the adoption of the system of free banking in Connecticut. He says:—

“The great point to be considered in framing such a law will be to fix on the kind of securities as the basis of the system. These should be of such a nature, doubtless, as to inspire confidence in the system, and of an amount sufficient to afford the most ample protection to those who would become bill-holders. Besides all this, every necessary and proper guard should be established to protect the public against any injury from the introduction of so important a change in the affairs of banking. The whole subject is submitted to your intelligence and wisdom, in the hope that it may receive that attention which it so well deserves.”

**NEW YORK CANAL CERTIFICATES.**—By reference to the news department of the paper, it will be seen that the Court of Appeals have decided that the canal enlargement law of the special legislative session is unconstitutional. Of course, all proceedings under it must be retraced. Among the inconveniences resulting from this is the cancelling of the loans which the State has negotiated under its provisions. A large portion of these certificates has been absorbed by the free banks of this State, and deposited with the Department as a security for circulating notes. Of course no direct loss will ensue to the banks by whom these certificates were deposited, for the State is bound in equity to refund promptly the amount paid for them. Other securities, however, must be purchased in lieu thereof, and these can only be obtained at a higher price than was paid for the canal certificates. So far as that goes, the law will be inimical to the interests of the banks.

We notice that one of the morning papers suggests that the holders of notes issued by banks which have no securities deposited in addition to these certificates will probably be the losers by the decision. This is not so. The idea that the State of New York will repudiate its obligations is not to be tolerated for a moment. For every dollar represented by the certificates, the State received more than a dollar in money, and it is bound and will return the full amount thereof, with interest, until the whole is paid. The security, therefore, is as perfect as it can be, with this advantage. The payment of these bonds will be made direct from the public treasury, and in case of the refusal of a bank holding them to redeem its circulation, the Superintendent of the Department will be able to realize from these securities at less expense, and with less dependence upon the uncertainties and fluctuations of the market, than he could with any other securities in his possession.

One probable effect of this decision will be to raise the prices of the remaining descriptions of stocks which the Superintendent of the Department is allowed to receive for the security of circulating notes. The withdrawal of so large an amount, present and prospective, as was issued and contemplated to be issued, under the enlargement law, will be severely felt by those who have to purchase banking securities. The enhanced prices that will have to be paid for the requisite stocks, will so narrow the margin for profitable banking, that fewer parties than at present will be anxious to embark in the business. This, perhaps, is not to be regretted, for the present banking capital of the State is apparently adequate for all legitimate purposes. Those banks now in existence have no small difficulty in keeping their discount lines full, and we believe that it would be no great disadvantage to the people to discourage, as far as may be, the establishment of mere banks of circulation. — *New York Commercial Advertiser*.

## BANK ITEMS.

**MAINE.** — The following towns in Maine are, by legislative enactment, allowed to loan their credit: — 1. Portland; 2. Orono; 3. Augusta; 4. Hallowell; 5. Gardiner; 6. Richmond; 7. Bowdoinham; 8. Topsham; 9. Brunswick; 10. Bath. The aggregate of loans is \$2,625,000.

**SUCCESSFUL BANK FORGERIES IN BOSTON.** — On Tuesday, May 11th, a well-dressed man accosted a colored man upon Central Wharf, inquiring if he wished a job, saying that he wanted some one to clean out his store. The colored man engaged to do the work required, and started off with his employer to his place of business. On the way, the latter stopped near the Custom-House, and asked the colored man if he could read and count figures; he replied, he could not readily. The man then said that he wanted him to go to the bank and present a check, receive the money, and bring it back to him. He then handed him a check for \$1,185 on the Granite Bank, signed by Libbey & Co. The colored man did as requested, and received the money for the check, which has since proved to be a forgery. Immediately upon receiving this sum, the same man handed the colored man two other checks, one on the State Bank, and the other on the Shoe and Leather Dealers' Bank, both of which were cashed, and the money handed to the stranger. A fourth check, drawn in the name of H. Chickering & Co., upon the North Bank, was then given to the colored man, who presented it at the counter of the bank for payment, but the Teller refused to cash it. The colored man returned to his employer with this statement, who thereupon received back the check, paid liberally for the services rendered, and decamped. The forged checks were so well executed as almost to defy detection. The one upon the Shoe & Leather Dealers' Bank was for \$1,480, and purported to be signed by John G. Gove. The bearing off was similar to the checks of Mr. Gove, the filling up the same, and the number correct. The forgeries were not discovered until late in the day, thus giving the forger ample opportunity to make his escape. The colored man bears the reputation of being a perfectly honest man. He states that the forger wore red whiskers. The whole amount paid on the three forged checks was \$3,900.

**NEW YORK.** — The Astor Bank commenced business in the month of April. President, John Lloyd, Esq.; Cashier, Jacob R. Pentz, Esq.

**Dry Dock Co.** — David Palmer, Esq. has been chosen President of the New York Dry Dock Bank, in place of George Law, Esq., resigned.

**Empire City Bank.** — This new bank has commenced business at the corner of Broadway and Great Jones Street. President, Elijah F. Purdy, Esq.; Cashier, Henry T. Kiersted, Esq.

**New Bank Buildings.** — The Metropolitan Bank will proceed at once to erect their new banking-house, on the corner of Broadway and Pine Street. It will be five stories high, 123 by 26 feet, of brown stone. The cost of the building will be somewhere between \$80,000 and \$90,000.

The National Bank has decided to rebuild, and will soon have the work in progress. They will reoccupy their present site, No. 36, Wall Street, between the Union Bank and the Mechanics' Banking Association.

The Broadway Bank, which is to occupy the corner of Park Place and Broadway, have commenced the demolition of the large buildings now covering the ground, and the work of reconstruction will be prosecuted with vigor. T. Thomas & Son are the architects.

The Bowery Savings Bank have commenced tearing away between Grand and Broome Streets, preparatory to erecting their new banking-house. It will be 30 by 80 feet.

**Lansingburg.** — Pelatiah Bliss, Esq. was elected President of the Bank of Lansingburg on the 7th of April last, in place of John S. Fake, Esq., who declined a re-election.

**Saugerties.** — Andrew J. Ketchum, Esq., Teller of the Farmers and Manufacturers' Bank, of Poughkeepsie, has been elected Cashier of the Bank of Ulster, a new institution, to be located in the village of Saugerties, Ulster County.

**Williamsburg.** — The Williamsburg City Bank commenced business on Thursday, May 13th, in the building hitherto occupied by the Savings Bank of that place, and redeems its bills at the Bank of the State of New York.

**Metropolitan Bank.** — It is well known that the Metropolitan Bank was organized with a view to purify the currency of our State, and to relieve our citizens from the losses sustained, to an enormous amount, by the discount paid upon uncurrent bank-notes to obtain specie funds. This attempt met, as was anticipated, with the most violent opposition from the banks and brokers who made the profits arising from the circulation and redemption of this debased currency.

An Act of the Legislature, passed in 1839, aimed to prevent the circulation of notes issued by banks out of this State, by prohibiting banks in this State from receiving, paying out, giving, or offering in payment as money, any bill or note issued by any corporation residing out of this State, which shall appear, upon any part thereof, to be payable or redeemable by any person or corporation within this State; and prescribed a penalty of \$1,000 for each offence, to be recovered in the name and for the use of any person who shall sue for the same.

It appears that the Bank of Charleston, S. C., have issued checks addressed to the Cashier of the Bank of the State of New York, for sums of five, ten, twenty, and fifty dollars each, which are also payable on presentation at the Bank at Charleston.

It appears that an account was opened with the Metropolitan Bank, and notes were deposited for collection, and on the days of the maturity of the notes so deposited a person was sent to the bank with bank-bills to pay them; and that among the bills given to the note clerk in payment, one of these checks was slipped in, and was received by him. The President, Directors, and Cashier of the bank never saw one of the bills so palmed off upon the note clerk, and had no knowledge that any such paper had ever been issued.

This course has been cautiously pursued, so as not to arrest the attention of the bank, until, a few days since, a number of suits were commenced against the bank, the plaintiff claiming on each, for his own use, a penalty of \$1,000.

If this be the true state of the case, as we are informed it is, it is evident that the bank has not violated the law; that no intention to violate has ever existed on its part; and we cannot believe that the law will sustain any such contrivance to deprive the bank of its money. — *New York Journal of Commerce.*

**PENNSYLVANIA.** — The following is a list of the bank bills, as recently vetoed by Governor Bigler: —

Meadville Bank, Crawford County. Capital, \$100,000.  
 Commercial Bank, at Pittsburg. Capital, \$300,000.  
 Farmers and Mechanics' Bank, at Allentown. Capital, \$150,000.  
 Erie City Bank, at Erie. Capital, \$150,000.  
 Carlisle Deposit Bank, at Carlisle. Capital, \$100,000.  
 Bank of Newcastle, Lawrence County. Capital, \$100,000.  
 Anthracite Bank, at Tamaqua. Capital, \$100,000.  
 Mauch Chunk Bank, at Mauch Chunk. Capital, \$100,000.  
 Farmers and Mechanics' Bank, at Phoenixville. Capital, \$200,000.  
 Monongahela City Bank, Washington. Capital, \$100,000.  
 Southwark Bank, Philadelphia, increase of Capital Stock, \$150,000.

**MARYLAND.** — Joseph Shriver, Esq., hitherto Cashier of the Cumberland Bank of Alleghany, at Cumberland, Md., has been chosen President of that institution in place of David Shriver, Esq., deceased; and E. T. Shriver, Esq. has been elected Cashier of the same.

**VIRGINIA.** — The Legislature of Virginia have passed laws for the establishment of a bank at Weston, Lewis County; The Merchants and Mechanics' Savings Bank at Richmond; The Savings Bank of the City of Williamsburg; and The Pearisburg Savings Bank.

**Exchange Bank.** — The stockholders of the Exchange Bank of Virginia, at their late annual meeting in Norfolk, agreed to the establishment of a new branch at Weston, in Lewis Co. The branches at present in operation are at Alexandria, Abingdon, Clarksville, Petersburg, Richmond, and Salem.

GEORGIA. — The agency of the Central Railroad Bank at Atlanta, Ga., was robbed on the 16th of April of \$15,000 in South Carolina Bank notes, \$2,000 of the Central Bank, and \$2,000 in gold. A reward of \$1,000 has been offered for the recovery of the money and arrest of the robbers.

*The Bank of St. Mary's, Georgia.* — We mentioned yesterday the suspension of this institution. We find the following card in relation thereto in the Charleston Courier of the 24th inst. It bears date at St. Mary's, at 1 P. M. on the 23d, and at Charleston at 3 25 P. M. of the same day: —

"To the Public. — A very heavy and unprecedented run upon the Bank of St. Mary's, for the month past, aggravated and brought to a crisis by an unnecessary and probably vindictive publication in the Mobile Tribune, and copied in the Montgomery Advertiser, without comment, of the inability of a drawee to pay the bank's draft for \$20,000, has, I am pained to say, forced her to a temporary suspension of specie payment. It affords me, however, pleasure to assure the public, that the institution is abundantly solvent, and requires only a little time to marshal her assets. In addition to her own means, I will bring to her aid my own ample fortune, until not a note shall be left in circulation.

"The means will be in a few days provided to pay all her depositors; and the outstanding checks upon the several points drawn will be honored on presentation. These assurances to the public of the entire solvency of the institution are not given for the purpose of sustaining its credit, as the bank will be wound up without delay, and her charter surrendered to the power that created it. The small notes of the bank, as well as my own, will be promptly redeemed, without intermission, until the last dollar shall have been retired. I will close my financial connection with the public with honor, even should it be necessary to part with every thing but its good opinions.

JOHN G. WINTER."

The publication in the Mobile Tribune, complained of, is probably the following, which appeared in that paper of the 20th inst: —

"*Bank of St. Mary's.* — There was a good deal of excitement in town yesterday in regard to the issues of this bank. For several months the bills have passed here in ordinary transactions at par, and as they were redeemed on demand at the counter of a respectable merchant, almost every one had confidence in the solvency of the institution. The present distrust, we understand, grew out of the fact that a draft of the bank, for a large amount, was protested here on the 15th inst. for non-payment."

ALABAMA. — *United States Bank Estate Sale in Mobile.* — A matter of great local interest in Mobile on Monday, the 12th of April, was the sale of all the vast properties owned by the late United States Bank, and offered at auction by the trustees. In this there were eighty-two auction lots, according to catalogue. The city properties alone brought over \$255,000, besides the vast quantities of vacant and partially improved lands in the vicinity, which sold at prices abundantly satisfactory to the sellers. The houses generally were purchased by those who hitherto have rented them; and this sale thus gives Mobile some hundred resident property-holders in lieu of one large monopoly, and alien to it at that. Among the lots was Hitchcock's Press, which was bought by Barron & Mead for \$66,500, and is intended as a depot for the Mobile and New York steamships.

MICHIGAN. — *The Government Stock Bank.* — A heavy run took place yesterday upon the Government Stock Bank, located at Ann Arbor, by the reputed agent of the Metropolitan Bank of New York city. Payment was refused on the amount presented. The occurrence, it is said, has grown out of a difficulty between the two banks, in which the bill-holders are not interested, inasmuch as the circulation is secured by United States stocks, which must be disposed of for their benefit (unless the bills are redeemed), after thirty days' notice.

We learn the foregoing particulars by a private despatch from Ann Arbor.

The stock of the bank is owned in New York, and its circulation, which is \$360,000, is in that State chiefly. — *Detroit (Mich.) Advertiser, May 12.*

We learn that Jas. L. Graham, Esq., the counsel of the Metropolitan Bank, went to Lansing yesterday, in order to take the necessary steps to compel the Government Stock Bank to make redemption of its notes, by making proof before the State officers of its failure to redeem them upon presentation.

The charter of the bank provides that, upon making such proof, the State Treasurer shall give notice that the bills of the bank will be redeemed at his office, and shall proceed, within twenty days, to make sale of the stocks in his hands, for that purpose.

The same act provides also, that if the State officers shall decide that the bank is insolvent, upon examination of the bank, or upon proof of its refusal to redeem its notes upon presentation, they shall appoint a Receiver, who shall close the concerns of the bank. The State officers referred to are the Secretary of State, Auditor-General, and Treasurer, a majority of whom may act.

The bills of the Government Stock Bank were taken by all banks and bankers yesterday in this city. — *Detroit Advertiser*, May 13.

OHIO. — The Lafayette Bank of Cincinnati is returning its capital to its owners as fast as collections can be made. The Directors of the Eaton Branch of the State Bank have called a meeting of the stockholders, to determine the course to be pursued by that institution, and in the mean time have stopped discounting.

The Cincinnati Gazette says: — "The Franklin Bank of this State has closed its concerns as a bank, and the firm of Groesbeck & Co. has taken its place. This change is caused by the tax law, the construction among the brokers here being, that it imposes much less tax on brokers than on banks."

Dayton. — The stockholders of the Dayton Bank, the Dayton Gazette says, have resolved to stop business immediately. John Rench, Esq. was appointed Receiver: —

"We understand that this step has been taken in consequence of the unequal and oppressive taxation imposed by the recent act of the Legislature.

"The stockholders of the Xenia Branch of the State Bank, as we learn, are to meet on the 4th of May, and those of the Dayton Branch on the 10th, when it is probable these institutions will determine to withdraw from further controversy with the unscrupulous power of party in its warfare upon capital. We hear of other banks that are preparing themselves for submission to the same necessity."

INDIANA. — William M. Dunn, Esq. has been elected President of the Branch Bank of Indiana at Madison, in place of James Winslow, Esq., who has become a partner in the house of Winslow, Lanier, & Co., Wall Street, New York.

ILLINOIS. — We learn that our neighbors, J. W. Clark & Co., in connection with the Southern and Western branches of their house, have just organized a bank called Clark's Exchange Bank, at Springfield, Illinois, under the new free banking law of that State. They commence with circulating notes to the amount of \$250,000, countersigned by the State Register, and issued against Illinois and Missouri State stocks deposited with the Treasurer of the State, as security for their redemption. By this judicious law, the State of Illinois will furnish her citizens with a domestic currency most amply protected against loss, and greatly needed in every other section of her territory. When it is remembered there is not a single bank in either of the three great and growing States of Illinois, Iowa, and Wisconsin, it is easy to discover that a bank at a central point, like Springfield, which is the capital of the State, can hardly fail to answer the double object of public convenience and private profit. We understand that N. H. Ridgley, Cashier of the late State Bank of Illinois, is to be President of the new institution. His social position and well-earned financial reputation are a sufficient guarantee that the trust could not be placed in abler hands. It is the intention of these gentlemen to increase their capital and circulation to half a million of dollars before the close of the present year. The new notes are elegantly engraved, and not surpassed in taste by any of the bills of our Eastern banks. — *Boston Transcript*.

Mr. Wm. Thomas, Trustee of the Bank of Illinois, publishes the following card in the *Shawneetown Argus*: —

*Shawneetown, Ill., Monday, Feb. 23, 1852.*

From an examination of the books and resources of the bank, I am satisfied that future collections will be made in notes, certificates, and real estate; and that the final dividend among the creditors will be the result of sales of the real estate, which may remain after the collections are completed. The real estate, if sold at fair prices, in connection with the other resources of the bank, is sufficient to meet the claims of bill and certificate holders; yet, unless the creditors become purchasers, the property will be sacrificed. I therefore suggest to the creditors, that by attending sales under decrees and judgments, and becoming purchasers, many of them may realize the amount of their claims, without the delay and detentions which must result from purchases and resales by the trustee. Creditors desiring to avail themselves of this notice will be furnished with all the information necessary to enable them to do so, by application to Mr. Joseph Bowls, of this place, or H. T. Mudd, at Lawrenceville, Illinois.



**KENTUCKY.** — A branch of the Southern Bank of Kentucky has been established at Hickman. Cashier, William Owens, Jr., Esq.

**TENNESSEE.** — *Citizens' Bank of Nashville and Memphis.* — This institution was chartered by the last Legislature, with a capital stock of \$ 200,000, with the privilege of enlargement to half a million. The gentlemen concerned in obtaining this charter are of established commercial and financial means and credit, and furnish to the community the fullest guarantees, while their business capacity holds out the assurance that the institution will also be made profitable to the stockholders.

We learn that all the stock in this bank was subscribed yesterday, and the first two instalments were paid in. This is certainly doing business in quick time, and shows the soundness of the basis upon which the application for this charter was granted. We have not heard the names of those who have taken the stock, but understand they are gentlemen of means and established commercial reputation and credit. — *Nashville Union, March 23.*

**BANK DIVIDENDS.** — *Baltimore.* — Commercial and Farmers' Bank, 5 per cent.

*New York.* — Mechanics' Banking Association, 4 per cent. Chatham Bank, 4 per cent. American Exchange Bank, 5 per cent. Bank of State of New York, 4 per cent. Bowery Bank, 4 per cent. Broadway Bank, 4 per cent. Pacific Bank, 4 per cent.

*North Carolina.* — Bank of Cape Fear, 4 per cent. Bank of Washington, 4 per cent.

*Philadelphia.* — All the banks (with the exception of the Banks of North America and Pennsylvania, which declare at another period) have made their regular semi-annual dividends. We give below the capital of each bank, the par value of its stock, and the present market price, the per cent. of dividends, and the amount of dividends paid out by each : —

	Capital.	Par.	Market value.	Per cent.	Amount paid.
Philadelphia Bank, . . . . .	\$ 1,150,000	100.00	140.00	5	\$ 57,500
Farmers and Mechanics' Bank, . . . . .	1,250,000	50.00	70.00	7	87,500
Girard Bank, . . . . .	1,250,000	12.50	12.75	3	37,500
Commercial Bank, . . . . .	1,000,000	50.00	59.00	4	40,000
Mechanics' Bank, . . . . .	800,000	20.00	29.00	6	48,000
Western Bank, . . . . .	500,000	50.00	64.00	5	25,000
Bank of the Northern Liberties, . . . . .	350,000	35.00	55.00	5	17,500
Manufacturers and Mechanics' Bank, . . . . .	300,000	25.00	27.50	4	12,000
Southwark Bank, . . . . .	250,000	50.00	70.00	5	12,500
Kensington Bank, . . . . .	250,000	50.00	63.00	5	12,500
Bank of Commerce, . . . . .	250,000	50.00	67.00	5	12,500
Bank of Penn Township, . . . . .	225,000	22.50	29.00	5	11,250
Tradesmen's Bank, . . . . .	150,000	50.00	52.00	3	4,500
Total, . . . . .	\$ 7,725,000				\$ 373,250

The above amount of dividends on the same amount of capital is \$ 13,000 more than was declared by the same banks, at the semiannual period in November last, and \$ 4,000 less than in May, one year ago. It will be seen that the dividends average a trifle less than five per cent. for the half-year, — a profit that fully warrants the present market prices of the shares.

**DESTRUCTION OF BANK-NOTES.** — About dusk on a late Saturday evening much excitement was created in the vicinity of the Bank of England by an apparent outbreak of fire in that establishment. A lurid glare from the centre of the building illuminated the whole of that part of the city, and, being visible from the various bridges across the Thames, caused a general alarm to be given to the brigade stations throughout the metropolis. Engines from all parts hastened into the city, when, on reaching the Bank of England, the firemen learnt that the authorities were "burning the old bank-notes"; hence the reflection in the air. As the flame continued with little intermission for nearly two hours, the number of fimsies consumed must have been immense. They had been returned to the bank during the last twelve months.

**New York Country Banks.** — The following are the names of the newly organized banks of New York, their location and circulation, May, 1852: —

<i>Banks.</i>	<i>Location.</i>	<i>County.</i>	<i>Circulation.</i>
Empire City Bank,	New York,	New York,	\$93,500
Bank of Genesee,	Batavia,	Genesee,	10,900
Quassaick Bank,	Newburgh,	Orange County,	40,000
Salt Springs Bank,	Syracuse,	Onondaga,	80,000
State Bank at Sackett's Harbor,	Sackett's Harbor,	Jefferson,	36,000
Bank of the Union,	Belfast,	Allegany,	50,000
Williamsburg City Bank,	Williamsburg City,	Kings,	100,000

**General Banking Law of Wisconsin.** — The general banking law of Wisconsin, as it passed the Legislature, and which is to be submitted to the people at the general election in November next, provides for the incorporation of any number of persons for carrying on the business of banking, the capital in each case being not less than \$25,000, or more than \$500,000.

The securities to be deposited for circulating notes are United States stocks and State stocks, on which full interest is annually paid, to be made equal to six per cent. stock, and not to be taken at above par, nor at a rate above the average price at which they have been sold in the New York market for six months previous to the time of their deposit.

In lieu of the above may be taken, to the amount of fifty per cent. of the circulating notes, first mortgage railroad bonds, issued by companies incorporated by the State. Said bonds must be the first lien on a "portion of continuous line of railroad of not less than forty miles, or of the whole of a railroad of not less than twenty miles in length," which is substantially constructed, and laid with T, H, or other approved rail, of not less than fifty pounds to the yard. Such bonds are not to be received at a rate higher than eighty cents on a dollar, or exceeding one half of the cost of the road upon which they are a lien, nor at a rate exceeding eight thousand dollars per mile of the road for which they are issued.

In addition to the other securities, the bank is required to give approved bonds to the amount of one fourth of the circulating notes to be delivered to it.

The Bank Comptroller, in conjunction with the Governor, is authorized to reject such securities as he shall deem objectionable, and to require additional deposits where the securities in his hands shall have become depreciated or impaired in value.

Banking associations organized under the act are to be taxed at the rate of one half per cent. on their capital, and are to be exempted from other taxation, except upon their real estate.

In case of the refusal to redeem the notes in specie, summary powers are given to put the defaulting bank into liquidation, and to sell its securities at the Merchants' Exchange in the city of New York, and with the proceeds to redeem its circulation.

**The Government Stock Bank.** — The difficulties which have existed between this institution and the Metropolitan Bank of New York have been settled; the bills of the former in the hands of the latter have been redeemed, and the business of the Government Stock Bank will proceed as usual.

**NEW CALIFORNIA COINS.** — Mr. Humbert, the Government assayer in California, has lately made an issue of ten-dollar gold pieces, having previously issued nothing under fifty dollars. A considerable number of the ten-dollar pieces were lately tried at the Mint in Philadelphia, and found to average 262.85 grains in weight and 882½ thousandths in fineness (being stamped 884), average value, without regard to the silver alloy, \$9.98½. This new coin bears the same eagle on its obverse as is seen on the fifty-dollar piece; the reverse is such as to make it easily distinguishable from all other coins.

**PRIVATE BANKERS IN THE UNITED STATES.** — The second edition of the *Merchants and Bankers' Almanac*, recently published, contains much valuable information concerning the coinage, public debt, finances, &c. of the United States and European governments, — a new list of the banks in each of the States, the names of the cashier and president of each, — and a list of the private bankers and exchange dealers in the prominent towns and cities throughout the Union. Copies will be mailed, to order, to any part of the United States. *Price, One Dollar.*

**NEW PATTERN FOR A GOLD DOLLAR.** — Mr. M. A. Stickney of Salem, — who by the way is a perfect *dilettante* in coinage as well as other curious matters, having, as is believed, a larger collection of American coins than can anywhere else, in private hands, be found, — has shown us a specimen, just received by him from the Mint, of the new pattern which is proposed for the gold dollar, only a very few of which have been struck. It is in the form of a ring, being as large and thick as a ninepence, with a hole in the centre sufficiently large to make the pieces of the requisite weight. It is a very handsome coin, and much more tangible and convenient than the little bit now in use, and which is found to be practically unfit for currency, so much so that it is already almost entirely out of circulation. Congress would do well to adopt this new pattern as a substitute. — *Boston Traveller*, May 20.

**CHECK TO COUNTERFEIT BILLS.** — The Suffolk Bank has devised a method of checking, to a great extent, the passing of bad money. In their foreign department there are daily received from the different banks in New England large numbers of counterfeit bills. These of course are returned as worthless, but before this is done a description is taken of each, with the name of the depositor, which by bank laws is always placed on the band of each parcel. On the back of the bill is marked the date, and a reference letter, and the bill is then returned. Should it again be put in circulation, the person who receives it has but to call at the Suffolk Bank, and he can ascertain through whose hands it has passed, and oblige the party to make it good, the record of the bank being sufficient evidence to force a redemption. In most cases where these counterfeits are put in circulation after once passing through the Suffolk Bank, the emission is accidental. In some cases, however, the bill is passed knowing it to be worthless, and we know of one instance where a man paid ten times the value of the bill in order to save prosecution. — *Boston Traveller*.

## Notes on the Money Market.

Boston, May 26, 1852.

The supply of money in the Atlantic cities is greater at the present moment than it has been for several years. The improvement which commenced in January last has now resulted in a reduction of the rates of interest to five per cent. for business paper of the best stamp, and four per cent. for loans on demand. It is known that some of the Boston and New York City banks have discounted during the present month at five per cent., and that our moneyed institutions generally have more funds than they can advantageously use.

The Bank rate of interest in London is reduced to two per cent., being a lower rate than ever adopted by the Bank of England since its charter in 1694. The last quotations for consols were 99½ a 99½, and par had been obtained during one day of the present month. Bank stock is firm at 220 against the par value of £100, the stock yielding 7 a 8 per cent. dividends annually.

In New York the quotations for business paper are as follows: —

1st class indorsed notes and acceptances, short,	4½ a 5 per annum.
“ “ “ “ long,	4½ a 5½ “
“ single names,	5 a 6 “
2d class indorsed notes and acceptances, short,	6 a 7 “
“ “ “ “ long,	6 a 8 “
Loans on government and State stocks,	3½ a 5 “
“ miscellaneous securities,	4½ a 7 “

A number of heavy negotiations have been effected during the month, showing the avidity with which good six per cents are taken up. Sales of United States six per cents of 1867 have been made at 118 a 119. A sale of \$700,000 six per cent. coupon bonds of the Baltimore and Ohio Railroad Company was effected last week at an average of 87 per cent. \$1,000,000 United States indemnity five per cents for Texas were sold at 102 a 105.01. \$30,000 City of Buffalo six per cent. bonds were taken at \$100.56 by R. H. King of Albany: and a sale of Portland city stock was made at 1 per cent. premium.

The public treasurer of North Carolina has disposed of new bonds of that State to the extent of \$60,000, at premiums ranging from 1½ to 4 per cent., and an average of 2½ per cent. on the whole.

Large remittances of State stocks have lately been made to Europe, where they are more in demand. In London, the first week in May, Massachusetts five per cents sterling commanded 107 a 107½; Maryland sterling five per cents, 94½ a 95½, with a general improvement in prices of all American securities. Railroad bonds, State and county loans, and State stocks, will probably meet a demand in that market for many years to come.

During the month two suspensions of banks have occurred. The first was that of the Bank of St. Mary's at Columbus, Georgia, with a circulation of about \$350,000. The President (J. G. Winter, Esq.) has interposed his private credit in order to aid in the redemption of the bills, which will no doubt be fully effected. The second was that of the Government Stock Bank at Ann Arbor, Michigan. This institution is owned and governed in Wall Street, as a bank of circulation secured by United States stocks. The suspension was caused by a large draft for specie by the Metropolitan Bank; since which it is announced that the two institutions have compromised the difficulty, and that, by new arrangements made between them, the Michigan bank will resume and continue specie payments.

The utility of the Metropolitan Bank of New York in purging that city of the issues of illegitimate banking institutions is now generally admitted by the sound bankers of the State. Under the more healthy system now adopted, the country banks have curtailed their circulation about \$800,000 during the three months ending April 1, while the New York city banks have increased their issues about twenty per cent. The recent dividends of the latter have averaged 4.55 per cent., while in Boston they were at the latest date only 3.89 per cent. We observe that the shares of the Metropolitan Bank have advanced ¾ per cent. during the month, or from \$108½ to \$110 per share.

The State of Pennsylvania has authorized the issue of new five per cent. bonds, redeemable in twenty-five years, interest payable semiannually, and the loan not subject to taxation for any purpose whatever. The proceeds of these bonds to be applied to the liquidation of the existing six per cent. bonds of the State, to the payment of certificates to domestic creditors, and unclaimed interest certificates; and the balance to the extinguishment of any of the five per cent. bonds of the State now outstanding.

The law of the State of New York authorizing the enlargement of the Erie Canal (as detailed in pp. 249, 250 of our present volume) having been recently declared unconstitutional by the Court of Appeals of that State, the canal certificates issued under that law are in consequence invalidated. These certificates are held by about twenty-eight of the New York banks, to the extent of \$1,000,000 in the aggregate, and deposited with the Bank Department as collateral for circulation. It is generally believed that no loss will result to the holders, and that the State, by early enactment, will redeem the certificates that have thus far been negotiated, viz. \$1,500,000. In the mean time other securities will be substituted by those banks that have purchased the certificates as a basis of circulation. Their notes are taken quite as readily as those of any other banks in the State, by the brokers and throughout the community. Such implicit reliance is placed in the faith of the State to its pecuniary obligations, that offers at par have been made for the certificates since the decision of the Court of Appeals was made known.

Bills on London have advanced to 10 a 10½ since our last monthly report, and are firm at the latter quotation for the Cunard steamer of this date. The shipments of gold to England in consequence of this rise amount to about \$1,000,000 during the present month. The arrivals of gold from California, at New York, keep pace fully with the sanguine expectations of the previous months. Large shipments of gold have also been made from Australian ports, inducing the belief that the product of the latter country will soon be equal to that of California.

The general rise in the market values of property of all kinds is very perceptible. It is the inevitable result of an increased volume of circulation of the precious metals, and of increased confidence in a favorable money market for some years to come. Real property within ten or fifty miles of Boston is rapidly coming into the market; at an advance of 5, 10, or 20 per cent. beyond the prices of last summer. This is a species of investment in which capitalists cannot go wrong.

The mining accounts from California continue very encouraging, and induce us to expect for the coming season a larger supply of gold than was produced in 1851, and fully equivalent to the sanguine expectations of our merchants and bankers.

The balance of trade with Europe is still against us largely. Extravagance in personal expenditures is the order of the day. There has never been, in our country, such a general use of costly furniture, jewelry, wearing apparel, etc., for large portions of which we are indebted to foreign labor. The duties at our principal ports for nine months, to 31st March, were as follows:—

New York,	\$22,121,000	Baltimore,	\$800,000	St. Louis,	\$197,000
Boston,	4,711,000	San Francisco,	1,780,000	Savannah,	113,000
Philadelphia,	2,890,000	Charleston, S. C.,	455,000	Other ports,	1,173,000
New Orleans,	1,806,000	Portland,	180,000	Total,	\$35,053,000

Equivalent to nearly fifty millions per annum, or aggregate imports of about two hundred and fifty millions of dollars.

The State of Illinois is about to adopt, on a large scale, the free banking system. Two or three banks have already been started, under authority of the new law, at Springfield and Chicago; and others are projected at the towns of Alton and Cairo. Indiana has also passed a new law for the adoption of the same system, and Wisconsin will probably pursue the same policy.

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Having arrived at the conclusion of the sixth year of the Magazine, the editor congratulates his readers upon the flattering condition of banking affairs in this country at this time, and upon the prospect of continued ease in the money market and of a prosperous era in the banking and financial affairs of the country at large, — reminding his readers that a strict adherence to the principles of sound banking, as suggested in the motto of this work, will insure them a fair remuneration for their labor and risks in this important branch of business: —

*"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."*

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#### DEATHS.

At Cumberland, Maryland, on Wednesday, April 23, David Shriver, Esq., in the 86th year of his age, President of the Cumberland Bank of Alleghany. Mr. Shriver was formerly engaged as the engineer and constructor of the National Road from Cumberland to Wheeling, as also of the Reisterstown Turnpike leading out of Baltimore. After the completion of the National Road, Mr. Shriver was, with General Bernard and Colonel McCrea, appointed by the President of the United States one of the Commissioners of Public Works then owned by the General Government, and in that capacity continued for some years. For a number of years past he has been the President of the Cumberland Bank, at Cumberland, Md., which place he held at his death, and was at one time a member of the Legislature of Maryland from Frederick County.

At Washington City, on Wednesday, April 14, Thomas Munroe, Esq., aged 81, formerly and for many years President of the Bank of Washington. Mr. Munroe held the office of Postmaster at Washington, from the year 1800 till 1836.

END OF VOL. SIXTH.

## LIST OF ENGRAVINGS,

DESCRIBED IN THE VOLUME ENTITLED

### **New Varieties of Gold and Silver Coins, Counterfeit Coins, and Bullion.**

- 1.—Recent Coins of the World. 2.—Recent Counterfeit Coins. 3.—Gold from California. 4.—Recapitulation of the Net Mint Values of Gold and Silver Coins, issued within twenty-five years. 5.—Silver from Lake Superior. 6.—Table of Correspondence between Pennyweights and Grains, and the Decimal Fractions of a Troy Ounce. 7.—Comparison of American and Foreign Weights used for Precious Metals. 8.—Bulk and Packing of Precious Metals. 9.—Determination of the Value of a Specimen of Gold or Silver in its Native Rock or Gauge. 10.—Transaction of Business at the Mint.

*By JACOB R. ECKFELDT and W. E. DU BOIS, Assayers of the U. S. Mint.*

#### PLATE FIRST.

- No. 1.—HALF EAGLE, 1849. N. G. and W.  
" 3.—FIVE DOLLARS, Oregon Exchange Company.  
" 4.—TEN DOLLARS, Miners' Bank, San Francisco.  
" 5.—TEN DOLLARS, Moffatt and Company, 1849-1850.  
" 6.—FIVE DOLLARS, Moffatt and Company, 1849-1850.  
" 11.—FIVE DOLLARS, Pacific Company, 1849.  
" 12.—FIVE DOLLARS, Massachusetts and California Company.  
" 21.—FIVE DOLLARS, Shultz and Company.

#### PLATE SECOND.

- No. 7.—TEN DOLLARS, J. S. O. (Ormsby of Pennsylvania.)  
" 9.—TEN DOLLARS, Templeton Reid, Assayer.  
" 10.—TEN DOLLARS, Pacific Company, 1849.  
" 16.—TEN DOLLARS, Baldwin and Company, 1850.  
" 17.—TEN DOLLARS, Baldwin and Company, 1851.  
" 18.—FIVE DOLLARS, Baldwin and Company, 1850.  
" 19.—TEN DOLLARS, Dubosq and Company, 1850.  
" 25.—TWO AND A HALF DOLLARS, Mormon Coin, Utah.

#### PLATE THIRD.


- No. 2.—TEN DOLLARS, Oregon Exchange Company.  
" 13.—TEN DOLLARS, Cincinnati Mining and Trading Company, 1849.  
" 14.—FIVE DOLLARS, Cincinnati Mining and Trading Company, 1849.  
" 20.—FIVE DOLLARS, Dubosq and Company, 1850.  
" 22.—TWENTY DOLLARS, Mormon Coin, Utah.  
" 23.—TEN DOLLARS, Mormon Coin, Utah.  
" 24.—FIVE DOLLARS, Mormon Coin, Utah.  
" 26.—FIVE DOLLARS, Dunbar and Company.

#### PLATE FOURTH.

- No. 8.—TWENTY-FIVE DOLLARS, Templeton Reid, Assayer, 1849.  
" 15.—TWENTY DOLLARS, Baldwin and Company, 1851.  
PIECE OF TEN REALS, (Silver) of New Granada.  
FIFTY DOLLARS, (Gold Coin) A. Humbert, United States Assayer.

#### PLATE FIFTH.

- No. 28.—INGOTS of Moffatt and Company, San Francisco, \$16.  
" 29.—INGOTS of Moffatt and Company, 10 dwt. 16 grs.  
" 30.—GOLD BARS, Kohler, Assayer of California.  
QUARTER DOUBLOON of Costa Rica.  
QUARTER DOUBLOON of Central America.  
HALF DOUBLOON of Costa Rica.  
THREE CENT, (Silver Coin) United States, 1851.

 The whole of the above work is contained, entire, in the **BANKER'S MAGAZINE** for September, October, November and December, 1851.



# RECENT AMERICAN COINS. PLATE FIRST.

No. 1.



No. 3.

No. 6.

No. 4.

No. 5.



No. 11.

No. 12.

No. 21.



See pp. 181, 182, 183, Bankers' Magazine, Vol. VI, or pp. 7, 8, 9, Work on Coins.





RECENT AMERICAN COINS. PLATE SECOND.



No. 10.



No. 16.



No. 19.



No. 18.



No. 17.



No. 25.



No. 7.



No. 9.



See pp. 181, 182, 183, Banker's Magazine, Vol. VI.—or pp. 7, 8, 9, Work on Coins.



# RECENT AMERICAN COINS. PLATE THIRD.

No. 23.



No. 20.



No. 2.



No. 18.



No. 22.



No. 26.



No. 24.



No. 14.



See pp. 181, 182, 183, Bankers' Magazine, Vol. VI—or pp. 7, 8, 9, Work on Coins.



# RECENT AMERICAN COINS. PLATE FOURTH.

Piece of Ten Reals, (silver) New Granada.



No. 8.



No. 15.



See pp. 181, 182, 183, Bankers' Magazine, Vol. VI.—or pp. 7, 8, 9, Work on Coins.



# RECENT AMERICAN COINS. PLATE FIFTH.

Quarter Doubloon of Costa Rica.



Quarter Doubloon of Central America.



Half Doubloon of Costa Rica



No. 30.

F. D. KOHLER  
STATE ASSAYER  
CARAT CAL =  $44\frac{3}{4}$   
 $21\frac{1}{8}$  1850 CTS  
\$40.07

Three Cent Coin.



No. 28.

MOFFAT & CO  
20  $\frac{3}{4}$  CARAT  
\$16.00

No. 29.

10 DWT 66 RS

MOFFAT & CO  
21  $\frac{7}{16}$  CARAT  
\$9.45

See pp. 181, 182, 183, Bankers' Magazine, Vol. VI,—or pp. 7, 8, 9, Work on Coins.







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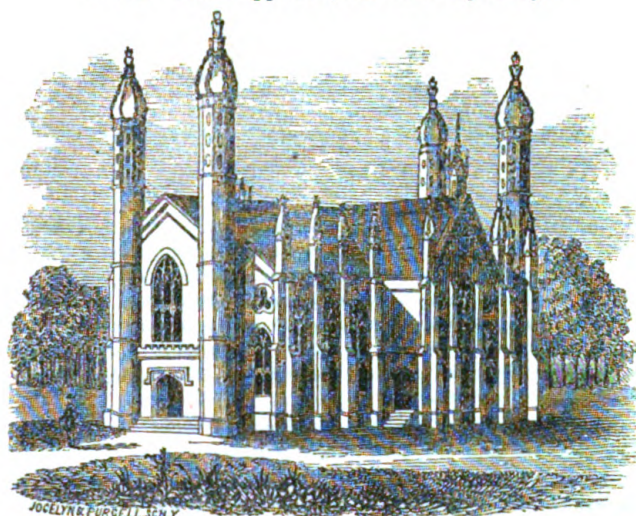


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